

September 12, 2018

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

To Whom It May Concern:

Enclosed please find Edward Hospital's CON Application for East Building Expansion. You will also find the \$2,500 check for the initial application fee.

Please contact me at 630-527-5791 if you have any questions about the materials enclosed.

Sincerely,



Minh Nguyen
System Director, Planning

Edward Hospital
801 S. Washington Street
Naperville, IL 60540

Elmhurst Hospital
155 E. Brush Hill Road
Elmhurst, IL 60126
EEHealth.org

ORIGINAL

18-034

ILLINOIS HEALTH FACILITIES AND SERVICES REVIEW BOARD
APPLICATION FOR PERMIT

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

RECEIVED

This Section must be completed for all projects.

SEP 17 2018

Facility/Project Identification

Facility Name: Edward Hospital	HEALTH FACILITIES & SERVICES REVIEW BOARD	
Street Address: 801 S. Washington Street		
City and Zip Code: Naperville 60540		
County: Dupage	Health Service Area: VII	Health Planning Area: A-05

Applicant(s) [Provide for each applicant (refer to Part 1130.220)]

Exact Legal Name: Edward Hospital
Street Address: 801 S. Washington Street
City and Zip Code: Naperville 60540
Name of Registered Agent: Chris Mollet
Registered Agent Street Address: 801 S. Washington Street
Registered Agent City and Zip Code: Naperville 60540
Name of Chief Executive Officer: Bill Kottmann
CEO Street Address: 801 S. Washington Street
CEO City and Zip Code: Naperville 60540
CEO Telephone Number: 630-527-7228

Type of Ownership of Applicants

<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship
<input type="checkbox"/> Other	

- Corporations and limited liability companies must provide an Illinois certificate of good standing.
- Partnerships must provide the name of the state in which they are organized and the name and address of each partner specifying whether each is a general or limited partner.

APPEND DOCUMENTATION AS ATTACHMENT 1 IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Primary Contact [Person to receive ALL correspondence or inquiries]

Name: Minh Nguyen
Title: Director, Service Line Strategy
Company Name: Edward-Elmhurst Health
Address: 801 S. Washington St. Naperville, IL 60540
Telephone Number: 630-527-5791
E-mail Address: Minh.Nguyen@EEHealth.org
Fax Number: 630-527-3963

Additional Contact [Person who is also authorized to discuss the application for permit]

Name: Annette Kenney
Title: System Executive Vice President, Chief Strategy & Marketing Officer
Company Name: Edward-Elmhurst Health
Address: 801 S. Washington St. Naperville, IL 60540
Telephone Number: 630-527-5803
E-mail Address: Annette.Kenney@EEHealth.org
Fax Number: 630-527-3702

Post Permit Contact

[Person to receive all correspondence subsequent to permit issuance-THIS PERSON MUST BE EMPLOYED BY THE LICENSED HEALTH CARE FACILITY AS DEFINED AT 20 ILCS 3960]

Name: Minh Nguyen
Title: Director, Service Line Strategy
Company Name: Edward-Elmhurst Health
Address: 801 S. Washington St. Naperville, IL 60540
Telephone Number: 630-527-5791
E-mail Address: Minh.Nguyen@EEHealth.org
Fax Number: 630-527-3963

Site Ownership

[Provide this information for each applicable site]

Exact Legal Name of Site Owner: Edward Hospital
Address of Site Owner: 801 S. Washington St. Naperville, IL 60540
Street Address or Legal Description of the Site: 801 S. Washington St. Naperville, IL 60540
Proof of ownership or control of the site is to be provided as Attachment 2. Examples of proof of ownership are property tax statements, tax assessor's documentation, deed, notarized statement of the corporation attesting to ownership, an option to lease, a letter of intent to lease, or a lease.
APPEND DOCUMENTATION AS <u>ATTACHMENT 2</u> , IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Operating Identity/Licensee

[Provide this information for each applicable facility and insert after this page.]

Exact Legal Name: Edward Hospital	
Address: 801 S. Washington St. Naperville, IL 60540	
<input checked="" type="checkbox"/> Non-profit Corporation	<input type="checkbox"/> Partnership
<input type="checkbox"/> For-profit Corporation	<input type="checkbox"/> Governmental
<input type="checkbox"/> Limited Liability Company	<input type="checkbox"/> Sole Proprietorship <input type="checkbox"/>
Other	
<ul style="list-style-type: none">o Corporations and limited liability companies must provide an Illinois Certificate of Good Standing.o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.o Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
APPEND DOCUMENTATION AS ATTACHMENT 3, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.	

Organizational Relationships

Provide (for each applicant) an organizational chart containing the name and relationship of any person or entity who is related (as defined in Part 1130.140). If the related person or entity is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.

APPEND DOCUMENTATION AS **ATTACHMENT 4**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Flood Plain Requirements

[Refer to application instructions.]

Provide documentation that the project complies with the requirements of Illinois Executive Order #2006-5 pertaining to construction activities in special flood hazard areas. As part of the flood plain requirements, please provide a map of the proposed project location showing any identified floodplain areas. Floodplain maps can be printed at www.FEMA.gov or www.illinoisfloodmaps.org. This map must be in a readable format. In addition, please provide a statement attesting that the project complies with the requirements of Illinois Executive Order #2006-5 (<http://www.hfsrb.illinois.gov>).

APPEND DOCUMENTATION AS **ATTACHMENT 5**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Historic Resources Preservation Act Requirements

[Refer to application instructions.]

Provide documentation regarding compliance with the requirements of the Historic Resources Preservation Act.

APPEND DOCUMENTATION AS **ATTACHMENT 6**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

DESCRIPTION OF PROJECT

1. Project Classification

[Check those applicable - refer to Part 1110.40 and Part 1120.20(b)]

Part 1110 Classification:

- ☐ Substantive
- ☒ Non-substantive

2. Narrative Description

In the space below, provide a brief narrative description of the project. Explain **WHAT** is to be done in **State Board defined terms**, **NOT WHY** it is being done. If the project site does **NOT** have a street address, include a legal description of the site. Include the rationale regarding the project's classification as substantive or non-substantive.

Edward Hospital is proposing to construct an addition to the East Building currently under construction (Project #18-015) on the campus of Edward Hospital in Naperville, Illinois. The two story addition will include one floor of leased physician office space and one floor of shelled space for future clinical/medical office space. The addition will be built to hospital-grade to maintain maximum flexibility for future use. The project also includes construction of a bridge on each floor of this addition to connect the two stories to the hospital.

The proposed project does not involve the establishment of a new category of service or establishment of a new facility. According to Section 1110.20 of the Review Board's rules, the proposed project is non-substantive.

Project Costs and Sources of Funds

Complete the following table listing all costs (refer to Part 1120.110) associated with the project. When a project or any component of a project is to be accomplished by lease, donation, gift, or other means, the fair market or dollar value (refer to Part 1130.140) of the component must be included in the estimated project cost. If the project contains non-reviewable components that are not related to the provision of health care, complete the second column of the table below. Note, the use and sources of funds must be equal.

USE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Preplanning Costs		\$ 73,000	\$ 73,000
Site Survey and Soil Investigation		\$ -	\$ -
Site Preparation		\$ -	\$ -
Off Site Work		\$ -	\$ -
New Construction Contracts		\$ 19,383,178	\$ 19,383,178
Modernization Contracts		\$ 501,606	\$ 501,606
Contingencies		\$ 1,019,320	\$ 1,019,320
Architectural/Engineering Fees		\$ 1,491,359	\$ 1,491,359
Consulting and Other Fees		\$ 142,500	\$ 142,500
Movable or Other Equipment (not in construction contracts)		\$ 124,000	\$ 124,000
Bond Issuance Expense (project related)			
Net Interest Expense During Construction (project related)			
Fair Market Value of Leased Space or Equipment			
Other Costs To Be Capitalized		\$ 632,720	\$ 632,720
Acquisition of Building or Other Property (excluding land)			
TOTAL USES OF FUNDS	\$0	\$ 23,367,683	\$ 23,367,683
SOURCE OF FUNDS	CLINICAL	NONCLINICAL	TOTAL
Cash and Securities		\$ 23,367,683	\$ 23,367,683
Pledges			
Gifts and Bequests			
Bond Issues (project related)			
Mortgages			
Leases (fair market value)			
Governmental Appropriations			
Grants			
Other Funds and Sources			
TOTAL SOURCES OF FUNDS	\$0	\$23,367,683	\$23,367,683

Related Project Costs

Provide the following information, as applicable, with respect to any land related to the project that will be or has been acquired during the last two calendar years:

Land acquisition is related to project	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Purchase Price: \$	_____	
Fair Market Value: \$	_____	
The project involves the establishment of a new facility or a new category of service <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, provide the dollar amount of all non-capitalized operating start-up costs (including operating deficits) through the first full fiscal year when the project achieves or exceeds the target utilization specified in Part 1100.		
Estimated start-up costs and operating deficit cost is \$ _____.		

Project Status and Completion Schedules

For facilities in which prior permits have been issued please provide the permit numbers. 18-015
Indicate the stage of the project's architectural drawings: <input type="checkbox"/> None or not applicable <input type="checkbox"/> Preliminary <input checked="" type="checkbox"/> Schematics <input type="checkbox"/> Final Working
Anticipated project completion date (refer to Part 1130.140): <u>November 2020</u>
Indicate the following with respect to project expenditures or to financial commitments (refer to Part 1130.140): <input type="checkbox"/> Purchase orders, leases or contracts pertaining to the project have been executed. <input type="checkbox"/> Financial commitment is contingent upon permit issuance. Provide a copy of the contingent "certification of financial commitment" document, highlighting any language related to CON Contingencies <input checked="" type="checkbox"/> Financial Commitment will occur after permit issuance.
APPEND DOCUMENTATION AS <u>ATTACHMENT 8</u>, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

State Agency Submittals [Section 1130.620(c)]

Are the following submittals up to date as applicable: <input checked="" type="checkbox"/> Cancer Registry <input checked="" type="checkbox"/> APORS <input checked="" type="checkbox"/> All formal document requests such as IDPH Questionnaires and Annual Bed Reports been submitted <input checked="" type="checkbox"/> All reports regarding outstanding permits Failure to be up to date with these requirements will result in the application for permit being deemed incomplete.

Cost Space Requirements

Provide in the following format, the **Departmental Gross Square Feet (DGSF)** or the **Building Gross Square Feet (BGSF)** and cost. The type of gross square footage either **DGSF** or **BGSF** must be identified. The sum of the department costs **MUST** equal the total estimated project costs. Indicate if any space is being reallocated for a different purpose. Include outside wall measurements plus the department's or area's portion of the surrounding circulation space. **Explain the use of any vacated space.**

Dept. / Area	Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Const.	Modernized	As Is	Vacated Space
REVIEWABLE							
Medical Surgical							
Intensive Care							
Diagnostic Radiology							
MRI							
Total Clinical							
NON REVIEWABLE							
Administrative							
Parking							
Gift Shop							
Total Non-clinical							
TOTAL							

APPEND DOCUMENTATION AS ATTACHMENT 9, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

Facility Bed Capacity and Utilization

Complete the following chart, as applicable. Complete a separate chart for each facility that is a part of the project and insert the chart after this page. Provide the existing bed capacity and utilization data for the latest **Calendar Year for which data is available**. Include **observation days in the patient day totals for each bed service**. Any bed capacity discrepancy from the Inventory will result in the application being deemed **incomplete**.

FACILITY NAME: Edward Hospital			CITY: Naperville		
REPORTING PERIOD DATES: From: January 2017					

*Medical/Surgical bed inventory increased to 235 to 243 on March 19, 2018

**Intensive Care bed inventory increased from 49 to 61 on July 24, 2018

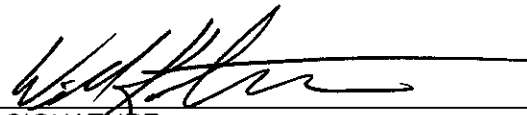
***Neonatal Intensive Care bed inventory increased from 12 to 22 on April 4, 2018

CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Edward Hospital* in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

William Kottmann
PRINTED NAME

President/CEO, Edward Hospital
PRINTED TITLE


SIGNATURE

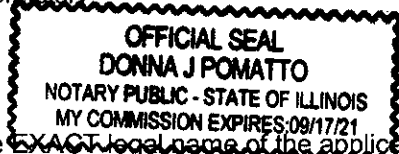
Jeffrey Friant
PRINTED NAME

Vice President, Finance
PRINTED TITLE

Notarization:
Subscribed and sworn to before me
this 13th day of September, 2018



Signature of Notary

Seal

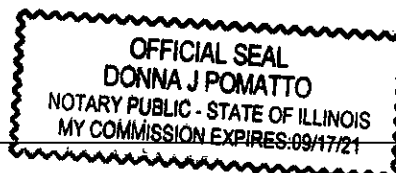


*Insert the EXACT legal name of the applicant

Notarization:
Subscribed and sworn to before me
this 13th day of September, 2018


Signature of Notary

Seal

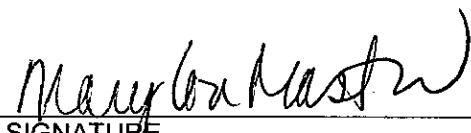


CERTIFICATION

The Application must be signed by the authorized representatives of the applicant entity. Authorized representatives are:

- in the case of a corporation, any two of its officers or members of its Board of Directors;
- in the case of a limited liability company, any two of its managers or members (or the sole manager or member when two or more managers or members do not exist);
- in the case of a partnership, two of its general partners (or the sole general partner, when two or more general partners do not exist);
- in the case of estates and trusts, two of its beneficiaries (or the sole beneficiary when two or more beneficiaries do not exist); and
- in the case of a sole proprietor, the individual that is the proprietor.

This Application is filed on the behalf of Edward Elmhurst Healthcare in accordance with the requirements and procedures of the Illinois Health Facilities Planning Act. The undersigned certifies that he or she has the authority to execute and file this Application on behalf of the applicant entity. The undersigned further certifies that the data and information provided herein, and appended hereto, are complete and correct to the best of his or her knowledge and belief. The undersigned also certifies that the fee required for this application is sent herewith or will be paid upon request.


SIGNATURE

Mary Lou Mastro
PRINTED NAME


SIGNATURE

Jeffrey Friant
PRINTED NAME

President/CEO, Edward-Elmhurst Health
PRINTED TITLE

Vice President, Finance Edward-Elmhurst Health
PRINTED TITLE

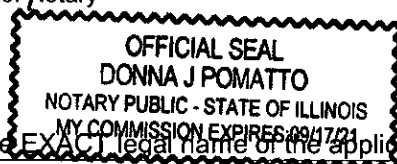
Notarization:

Subscribed and sworn to before me

this 13th day of September, 2018


Signature of Notary

Seal




*Insert the EXACT legal name of the applicant

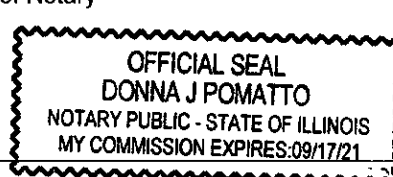
Notarization:

Subscribed and sworn to before me

this 13th day of September, 2018


Signature of Notary

Seal



SECTION III. BACKGROUND, PURPOSE OF THE PROJECT, AND ALTERNATIVES - INFORMATION REQUIREMENTS

This Section is applicable to all projects except those that are solely for discontinuation with no project costs.

Background

READ THE REVIEW CRITERION and provide the following required information:

BACKGROUND OF APPLICANT

1. A listing of all health care facilities owned or operated by the applicant, including licensing, and certification if applicable.
2. A certified listing of any adverse action taken against any facility owned and/or operated by the applicant during the three years prior to the filing of the application.
3. Authorization permitting HFSRB and DPH access to any documents necessary to verify the information submitted, including, but not limited to official records of DPH or other State agencies; the licensing or certification records of other states, when applicable; and the records of nationally recognized accreditation organizations. **Failure to provide such authorization shall constitute an abandonment or withdrawal of the application without any further action by HFSRB.**
4. If, during a given calendar year, an applicant submits more than one application for permit, the documentation provided with the prior applications may be utilized to fulfill the information requirements of this criterion. In such instances, the applicant shall attest that the information was previously provided, cite the project number of the prior application, and certify that no changes have occurred regarding the information that has been previously provided. The applicant is able to submit amendments to previously submitted information, as needed, to update and/or clarify data.

APPEND DOCUMENTATION AS ATTACHMENT 11, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-4) MUST BE IDENTIFIED IN ATTACHMENT 11.

Criterion 1110.230 – Purpose of the Project, and Alternatives

PURPOSE OF PROJECT

1. Document that the project will provide health services that improve the health care or well-being of the market area population to be served.
2. Define the planning area or market area, or other relevant area, per the applicant's definition.
3. Identify the existing problems or issues that need to be addressed as applicable and appropriate for the project.
4. Cite the sources of the documentation.
5. Detail how the project will address or improve the previously referenced issues, as well as the population's health status and well-being.
6. Provide goals with quantified and measurable objectives, with specific timeframes that relate to achieving the stated goals as **appropriate**.

For projects involving modernization, describe the conditions being upgraded, if any. For facility projects, include statements of the age and condition of the project site, as well as regulatory citations, if any. For equipment being replaced, include repair and maintenance records.

NOTE: Information regarding the "Purpose of the Project" will be included in the State Board Staff Report.

APPEND DOCUMENTATION AS ATTACHMENT 12, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM. EACH ITEM (1-6) MUST BE IDENTIFIED IN ATTACHMENT 12.

ALTERNATIVES

- 1) Identify **ALL** of the alternatives to the proposed project:

Alternative options **must** include:

- A) Proposing a project of greater or lesser scope and cost;
 - B) Pursuing a joint venture or similar arrangement with one or more providers or entities to meet all or a portion of the project's intended purposes; developing alternative settings to meet all or a portion of the project's intended purposes;
 - C) Utilizing other health care resources that are available to serve all or a portion of the population proposed to be served by the project; and
 - D) Provide the reasons why the chosen alternative was selected.
- 2) Documentation shall consist of a comparison of the project to alternative options. The comparison shall address issues of total costs, patient access, quality and financial benefits in both the short-term (within one to three years after project completion) and long-term. This may vary by project or situation. **FOR EVERY ALTERNATIVE IDENTIFIED, THE TOTAL PROJECT COST AND THE REASONS WHY THE ALTERNATIVE WAS REJECTED MUST BE PROVIDED.**
 - 3) The applicant shall provide empirical evidence, including quantified outcome data that verifies improved quality of care, as available.

APPEND DOCUMENTATION AS ATTACHMENT 13, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IV. PROJECT SCOPE, UTILIZATION, AND UNFINISHED/SHELL SPACE

Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

READ THE REVIEW CRITERION and provide the following information:

SIZE OF PROJECT:

1. Document that the amount of physical space proposed for the proposed project is necessary and not excessive. This must be a narrative and it shall include the basis used for determining the space and the methodology applied.
2. If the gross square footage exceeds the BGSF/DGSF standards in Appendix B, justify the discrepancy by documenting one of the following:
 - a. Additional space is needed due to the scope of services provided, justified by clinical or operational needs, as supported by published data or studies and certified by the facility's Medical Director.
 - b. The existing facility's physical configuration has constraints or impediments and requires an architectural design that delineates the constraints or impediments.
 - c. The project involves the conversion of existing space that results in excess square footage.
 - d. Additional space is mandated by governmental or certification agency requirements that were not in existence when Appendix B standards were adopted.

Provide a narrative for any discrepancies from the State Standard. A table must be provided in the following format with Attachment 14.

SIZE OF PROJECT				
DEPARTMENT/SERVICE	PROPOSED BGSF/DGSF	STATE STANDARD	DIFFERENCE	MET STANDARD?

APPEND DOCUMENTATION AS ATTACHMENT 14, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

PROJECT SERVICES UTILIZATION:

This criterion is applicable only to projects or portions of projects that involve services, functions or equipment for which HFSRB has established utilization standards or occupancy targets in 77 Ill. Adm. Code 1100.

Document that in the second year of operation, the annual utilization of the service or equipment shall meet or exceed the utilization standards specified in 1110.Appendix B. A narrative of the rationale that supports the projections must be provided.

A table must be provided in the following format with Attachment 15.

UTILIZATION					
	DEPT./ SERVICE	HISTORICAL UTILIZATION (PATIENT DAYS) (TREATMENTS) ETC.	PROJECTED UTILIZATION	STATE STANDARD	MEET STANDARD?
YEAR 1					
YEAR 2					

APPEND DOCUMENTATION AS ATTACHMENT 15, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

UNFINISHED OR SHELL SPACE:

Provide the following information:

1. Total gross square footage (GSF) of the proposed shell space.
2. The anticipated use of the shell space, specifying the proposed GSF to be allocated to each department, area or function.
3. Evidence that the shell space is being constructed due to:
 - a. Requirements of governmental or certification agencies; or
 - b. Experienced increases in the historical occupancy or utilization of those areas proposed to occupy the shell space.
4. Provide:
 - a. Historical utilization for the area for the latest five-year period for which data is available; and
 - b. Based upon the average annual percentage increase for that period, projections of future utilization of the area through the anticipated date when the shell space will be placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 16, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

ASSURANCES:

Submit the following:

1. Verification that the applicant will submit to HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.
2. The estimated date by which the subsequent CON application (to develop and utilize the subject shell space) will be submitted; and
3. The anticipated date when the shell space will be completed and placed into operation.

APPEND DOCUMENTATION AS ATTACHMENT 17, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The following Sections **DO NOT** need to be addressed by the applicants or co-applicants responsible for funding or guaranteeing the funding of the project if the applicant has a bond rating of A- or better from Fitch's or Standard and Poor's rating agencies, or A3 or better from Moody's (the rating shall be affirmed within the latest 18-month period prior to the submittal of the application):

- Section 1120.120 Availability of Funds – Review Criteria
- Section 1120.130 Financial Viability – Review Criteria
- Section 1120.140 Economic Feasibility – Review Criteria, subsection (a)

VII. 1120.120 - AVAILABILITY OF FUNDS *NOT APPLICABLE (A Bond Rating)*

The applicant shall document that financial resources shall be available and be equal to or exceed the estimated total project cost plus any related project costs by providing evidence of sufficient financial resources from the following sources, as applicable [Indicate the dollar amount to be provided from the following sources]:

<p>_____</p>	<p>a) Cash and Securities – statements (e.g., audited financial statements, letters from financial institutions, board resolutions) as to:</p> <ol style="list-style-type: none"> 1) the amount of cash and securities available for the project, including the identification of any security, its value and availability of such funds; and 2) interest to be earned on depreciation account funds or to be earned on any asset from the date of applicant's submission through project completion;
<p>_____</p>	<p>b) Pledges – for anticipated pledges, a summary of the anticipated pledges showing anticipated receipts and discounted value, estimated time table of gross receipts and related fundraising expenses, and a discussion of past fundraising experience.</p>
<p>_____</p>	<p>c) Gifts and Bequests – verification of the dollar amount, identification of any conditions of use, and the estimated time table of receipts;</p>
<p>_____</p>	<p>d) Debt – a statement of the estimated terms and conditions (including the debt time period, variable or permanent interest rates over the debt time period, and the anticipated repayment schedule) for any interim and for the permanent financing proposed to fund the project, including:</p> <ol style="list-style-type: none"> 1) For general obligation bonds, proof of passage of the required referendum or evidence that the governmental unit has the authority to issue the bonds and evidence of the dollar amount of the issue, including any discounting anticipated; 2) For revenue bonds, proof of the feasibility of securing the specified amount and interest rate; 3) For mortgages, a letter from the prospective lender attesting to the expectation of making the loan in the amount and time indicated, including the anticipated interest rate and any conditions associated with the mortgage, such as, but not limited to, adjustable interest rates, balloon payments, etc.; 4) For any lease, a copy of the lease, including all the terms and conditions, including any purchase options, any capital improvements to the property and provision of capital equipment;

<p>_____</p> <p>_____</p> <p>_____</p>	<p>5) For any option to lease, a copy of the option, including all terms and conditions.</p> <p>e) Governmental Appropriations – a copy of the appropriation Act or ordinance accompanied by a statement of funding availability from an official of the governmental unit. If funds are to be made available from subsequent fiscal years, a copy of a resolution or other action of the governmental unit attesting to this intent;</p> <p>f) Grants – a letter from the granting agency as to the availability of funds in terms of the amount and time of receipt;</p> <p>g) All Other Funds and Sources – verification of the amount and type of any other funds that will be used for the project.</p>
	<p>TOTAL FUNDS AVAILABLE</p>
<p>APPEND DOCUMENTATION AS ATTACHMENT 34, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.</p>	

SECTION VIII. 1120.130 - FINANCIAL VIABILITY *NOT APPLICABLE (A Bond Rating)*

All the applicants and co-applicants shall be identified, specifying their roles in the project funding or guaranteeing the funding (sole responsibility or shared) and percentage of participation in that funding.

Financial Viability Waiver

The applicant is not required to submit financial viability ratios if:

1. "A" Bond rating or better
2. All of the projects capital expenditures are completely funded through internal sources
3. The applicant's current debt financing or projected debt financing is insured or anticipated to be insured by MBIA (Municipal Bond Insurance Association Inc.) or equivalent
4. The applicant provides a third party surety bond or performance bond letter of credit from an A rated guarantor.

See Section 1120.130 Financial Waiver for information to be provided

APPEND DOCUMENTATION AS **ATTACHMENT 35**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

The applicant or co-applicant that is responsible for funding or guaranteeing funding of the project shall provide viability ratios for the latest three years for which **audited financial statements are available and for the first full fiscal year at target utilization, but no more than two years following project completion.** When the applicant's facility does not have facility specific financial statements and the facility is a member of a health care system that has combined or consolidated financial statements, the system's viability ratios shall be provided. If the health care system includes one or more hospitals, the system's viability ratios shall be evaluated for conformance with the applicable hospital standards.

	Historical 3 Years			Projected
Enter Historical and/or Projected Years:				
Current Ratio				
Net Margin Percentage				
Percent Debt to Total Capitalization				
Projected Debt Service Coverage				
Days Cash on Hand				
Cushion Ratio				

Provide the methodology and worksheets utilized in determining the ratios detailing the calculation and applicable line item amounts from the financial statements. Complete a separate table for each co-applicant and provide worksheets for each.

Variance

Applicants not in compliance with any of the viability ratios shall document that another organization, public or private, shall assume the legal responsibility to meet the debt obligations should the applicant default.

APPEND DOCUMENTATION AS **ATTACHMENT 36**, IN NUMERICAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION IX. 1120.140 - ECONOMIC FEASIBILITY

This section is applicable to all projects subject to Part 1120.

A. Reasonableness of Financing Arrangements

The applicant shall document the reasonableness of financing arrangements by submitting a notarized statement signed by an authorized representative that attests to one of the following:

- 1) That the total estimated project costs and related costs will be funded in total with cash and equivalents, including investment securities, unrestricted funds, received pledge receipts and funded depreciation; or
- 2) That the total estimated project costs and related costs will be funded in total or in part by borrowing because:
 - A) A portion or all of the cash and equivalents must be retained in the balance sheet asset accounts in order to maintain a current ratio of at least 2.0 times for hospitals and 1.5 times for all other facilities; or
 - B) Borrowing is less costly than the liquidation of existing investments, and the existing investments being retained may be converted to cash or used to retire debt within a 60-day period.

B. Conditions of Debt Financing ***NOT APPLICABLE (Funding project with Cash)***

This criterion is applicable only to projects that involve debt financing. The applicant shall document that the conditions of debt financing are reasonable by submitting a notarized statement signed by an authorized representative that attests to the following, as applicable:

- 1) That the selected form of debt financing for the project will be at the lowest net cost available;
- 2) That the selected form of debt financing will not be at the lowest net cost available, but is more advantageous due to such terms as prepayment privileges, no required mortgage, access to additional indebtedness, term (years), financing costs and other factors;
- 3) That the project involves (in total or in part) the leasing of equipment or facilities and that the expenses incurred with leasing a facility or equipment are less costly than constructing a new facility or purchasing new equipment.

C. Reasonableness of Project and Related Costs

Read the criterion and provide the following:

1. Identify each department or area impacted by the proposed project and provide a cost and square footage allocation for new construction and/or modernization using the following format (insert after this page).

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Department (list below)	A	B	C	D	E	F	G	H	Total Cost (G + H)
	Cost/Square Foot New	Mod.	Gross Sq. Ft. New	Circ.*	Gross Sq. Ft. Mod.	Circ.*	Const. \$ (A x C)	Mod. \$ (B x E)	
Contingency									
TOTALS									

* Include the percentage (%) of space for circulation

D. Projected Operating Costs NOT APPLICABLE DUE TO NATURE OF PROJECT

The applicant shall provide the projected direct annual operating costs (in current dollars per equivalent patient day or unit of service) for the first full fiscal year at target utilization but no more than two years following project completion. Direct cost means the fully allocated costs of salaries, benefits and supplies for the service.

E. Total Effect of the Project on Capital Costs NOT APPLICABLE DUE TO NATURE OF PROJECT

The applicant shall provide the total projected annual capital costs (in current dollars per equivalent patient day) for the first full fiscal year at target utilization but no more than two years following project completion.

APPEND DOCUMENTATION AS ATTACHMENT 37, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION X. SAFETY NET IMPACT STATEMENT NOT APPLICABLE (Non-Substantive Project)

SAFETY NET IMPACT STATEMENT that describes all of the following must be submitted for ALL SUBSTANTIVE PROJECTS AND PROJECTS TO DISCONTINUE STATE-OWNED HEALTH CARE FACILITIES [20 ILCS 3960/5.4]:

1. The project's material impact, if any, on essential safety net services in the community, to the extent that it is feasible for an applicant to have such knowledge.
2. The project's impact on the ability of another provider or health care system to cross-subsidize safety net services, if reasonably known to the applicant.
3. How the discontinuation of a facility or service might impact the remaining safety net providers in a given community, if reasonably known by the applicant.

Safety Net Impact Statements shall also include all of the following:

1. For the 3 fiscal years prior to the application, a certification describing the amount of charity care provided by the applicant. The amount calculated by hospital applicants shall be in accordance with the reporting requirements for charity care reporting in the Illinois Community Benefits Act. Non-hospital applicants shall report charity care, at cost, in accordance with an appropriate methodology specified by the Board.
2. For the 3 fiscal years prior to the application, a certification of the amount of care provided to Medicaid patients. Hospital and non-hospital applicants shall provide Medicaid information in a manner consistent with the information reported each year to the Illinois Department of Public Health regarding "Inpatients and Outpatients Served by Payor Source" and "Inpatient and Outpatient Net Revenue by

Payor Source" as required by the Board under Section 13 of this Act and published in the Annual Hospital Profile.

3. Any information the applicant believes is directly relevant to safety net services, including information regarding teaching, research, and any other service.

A table in the following format must be provided as part of Attachment 38.

Safety Net Information per PA 96-0031			
CHARITY CARE			
Charity (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Charity (cost in dollars)			
Inpatient			
Outpatient			
Total			
MEDICAID			
Medicaid (# of patients)	Year	Year	Year
Inpatient			
Outpatient			
Total			
Medicaid (revenue)			
Inpatient			
Outpatient			
Total			

APPEND DOCUMENTATION AS ATTACHMENT 38, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

SECTION XI. CHARITY CARE INFORMATION

Charity Care information **MUST** be furnished for **ALL** projects [1120.20(c)].

1. All applicants and co-applicants shall indicate the amount of charity care for the latest three **audited** fiscal years, the cost of charity care and the ratio of that charity care cost to net patient revenue.
2. If the applicant owns or operates one or more facilities, the reporting shall be for each individual facility located in Illinois. If charity care costs are reported on a consolidated basis, the applicant shall provide documentation as to the cost of charity care; the ratio of that charity care to the net patient revenue for the consolidated financial statement; the allocation of charity care costs; and the ratio of charity care cost to net patient revenue for the facility under review.
3. If the applicant is not an existing facility, it shall submit the facility's projected patient mix by payer source, anticipated charity care expense and projected ratio of charity care to net patient revenue by the end of its second year of operation.

Charity care" means care provided by a health care facility for which the provider does not expect to receive payment from the patient or a third-party payer (20 ILCS 3960/3). Charity Care **must** be provided at cost.

A table in the following format must be provided for all facilities as part of Attachment 39.

CHARITY CARE			
	Year	Year	Year
Net Patient Revenue			
Amount of Charity Care (charges)			
Cost of Charity Care			

APPEND DOCUMENTATION AS **ATTACHMENT 39**, IN NUMERIC SEQUENTIAL ORDER AFTER THE LAST PAGE OF THE APPLICATION FORM.

After paginating the entire completed application indicate, in the chart below, the page numbers for the included attachments:

INDEX OF ATTACHMENTS		
ATTACHMENT NO.		PAGES
1	Applicant Identification including Certificate of Good Standing	24
2	Site Ownership	25-29
3	Persons with 5 percent or greater interest in the licensee must be identified with the % of ownership.	
4	Organizational Relationships (Organizational Chart) Certificate of Good Standing Etc.	30-32
5	Flood Plain Requirements	33-34
6	Historic Preservation Act Requirements	35
7	Project and Sources of Funds Itemization	36
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9	Cost Space Requirements	37
10	Discontinuation	
11	Background of the Applicant	38-42
12	Purpose of the Project	43-44
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15	Project Service Utilization	48
16	Unfinished or Shell Space	49
17	Assurances for Unfinished/Shell Space	50
18	Master Design Project	
	Service Specific:	
19	Medical Surgical Pediatrics, Obstetrics, ICU	
20	Comprehensive Physical Rehabilitation	
21	Acute Mental Illness	
22	Open Heart Surgery	
23	Cardiac Catheterization	
24	In-Center Hemodialysis	
25	Non-Hospital Based Ambulatory Surgery	
26	Selected Organ Transplantation	
27	Kidney Transplantation	
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29	Community-Based Residential Rehabilitation Center	
30	Long Term Acute Care Hospital	
31	Clinical Service Areas Other than Categories of Service	
32	Freestanding Emergency Center Medical Services	
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	Financial and Economic Feasibility:	
34	Availability of Funds	
35	Financial Waiver	51-65
36	Financial Viability	
37	Economic Feasibility	66-68
38	Safety Net Impact Statement	
39	Charity Care Information	69

EDWARD HOSPITAL EAST BUILDING EXPANSION CON APPLICATION

September 2018

SECTION I. IDENTIFICATION, GENERAL INFORMATION, AND CERTIFICATION

Co-Applicant Identification

Exact Legal Name: Edward-Elmhurst Healthcare
Address: 801 S. Washington St. Naperville, IL 60540
Name of Registered Agent: Chris Mollet
Name of Chief Executive Officer: Mary Lou Mastro
CEO Address: 801 S. Washington St. Naperville, IL 60540
Telephone Number: 630-527-5350

Type of Ownership:

- | | |
|------------------------------------------------------------|----------------------------------------------|
| <input checked="" type="checkbox"/> Non-profit Corporation | <input type="checkbox"/> Partnership |
| <input type="checkbox"/> For-profit Corporation | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Limited Liability Company | <input type="checkbox"/> Sole Proprietorship |
| <input type="checkbox"/> Other | |
- o Corporations and limited liability companies must provide an Illinois certificate of good standing.
 - o Partnerships must provide the name of the state in which organized and the name and address of each partner specifying whether each is a general or limited partner.

ATTACHMENT- 1

AH

QUIT CLAIM DEED

Statutory (Illinois)



J.P. "RICK" CARNEY

DUPAGE COUNTY RECORDER

NOV.02,2000

9:49 AM

DEED

07-24-400-007

005 PAGES

R2000-171372

CHARGE C.T.I.C. DUPAGE D19521 Clg for

THE GRANTOR, EDWARD
HOSPITAL DISTRICT, a
hospital district created and
existing under and by virtue of the
laws of the State of Illinois and

(The Above Space for Recorder's Use Only)

duly authorized to transact business in the State of Illinois, for the consideration of Ten and no/100 (\$10.00) Dollars, and other good and valuable consideration in hand paid, and pursuant to authority given by the Board of Directors of said corporation, CONVEYS and QUIT CLAIMS to EDWARD HOSPITAL, an Illinois not-for-profit corporation organized and existing under and by virtue of the laws of the State of Illinois having its principal office at the following address: 801 Washington Street, Naperville, Illinois, all interest in the following described Real Estate situated in the County of DuPage and State of Illinois, to wit:

SEE EXHIBIT A ATTACHED HERETO AND BY
THIS REFERENCE MADE A PART HEREOF

Permanent Real Estate Index Numbers: 07-24-400-007; 07-24-400-008;
07-24-400-011; 07-24-400-12

Addresses of Real Estate: 852 West Street, Naperville, IL 60540;
775 Brom Drive, Naperville, IL 60540;
100-120 Spaulding Drive, Naperville, IL 60540
801 Washington Street, Naperville, IL 60566

ATTACHMENT - 2


In Witness Whereof, said Grantor has caused its name to be signed to these presents by
its Chairman this 25th day of October, 2000.

EDWARD HOSPITAL DISTRICT

By. *Michael T. McManus*

Its: Chairman of the Board

WITNESSED BY DEPUTY CLERK OF THE DISTRICT E. Section 4
Date: 10/25/00 *Michael T. McManus*

CITY OF NAPERVILLE	
CITY TAX	
	OCT 26 00
NAPERVILLE, IL	
# 0000000911	REAL ESTATE TRANSFER TAX
	00000000
	FP326659

ATTACHMENT - 2

State of Illinois)
) SS.
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Michael Mimnugh is personally known to me to be the Chairman of Edward Hospital District, an Illinois hospital district, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Chairman, he signed and delivered the said instrument, pursuant to authority given by the Board of said Directors of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 25th day of October, 2000.



Mary Helen Crispo
Notary Public

Commission expires March 20, 2002

This Instrument Was Prepared By:

Jennifer R. Breuer, Esq.
Gardner, Carton & Douglas
321 North Clark Street
Suite 3400
Chicago, IL 60610-4795

MAIL TO: Edward Hospital

(Attn: Nanette Bufalino

(801 Washington Street

(P. O. Box 3060

(Naperville, IL 60566

SEND SUBSEQUENT TAX BILLS TO:

Edward Hospital
Attention: President
801 Washington Street
P O Box 3060
Naperville, IL 60566

RECORDERS OFFICE BOX NO _____

CH01/12118924 I

ATTACHMENT - 2

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

That part of the Southeast quarter of Section 24, Township 38 North, Range 9, East of the Third Principal Meridian, described by beginning at the Northeast corner of the Southeast quarter of the Southwest quarter of said Section 24, Township 38 North, Range 9, East of the Third Principal Meridian and running thence North 69° East 37.12 chains to stake and stones in center of road; thence South 18° East 4.98 chains along the road to H. Knickerbocker's line; thence South 70° West 38.15 chains along Knickerbocker's line to stake and stones; thence North 1° East 4.70 chains to the place of beginning; also Lot 11 as platted and described in Book 3 on pages 240 and 242 of Circuit Court records described by commencing at stake and stones at Northeast corner of Southeast quarter of Southwest quarter of said Section 24 and running thence North 25° West 4.65 chains to stake and stones; thence North 69 and one-half ° East 39.44 chains to stake and stones in center of road; thence South 4° West 4.61 chains to angle in road; thence South 18° East 1.45 chains to stake and stones; thence South 69 and one-half ° West 37.12 chains to place of beginning, in DuPage County, Illinois.

ALSO

PARCEL 2:

That part of the Southeast quarter of Section 24, Township 38 North, Range 9, East of the Third Principal Meridian, described by commencing at the Northeast corner of said Southeast quarter; thence West along the North line of said Southeast quarter 500.3 feet to the center line of Washington Street; thence South 0° 51' West along the center line of said Washington Street 34.9 feet for a place of beginning; thence South 0° 51' West along said center line of Washington Street 100.0 feet; thence South 66° 08' West 1802.2 feet to the West line of the Naperville Cemetery extended South; thence North 1° 03' East along the West line of said Cemetery extended South 642.4 feet; thence North 83° 29' East 1648.4 feet to the place of beginning, in DuPage County, Illinois.

ATTACHMENT – 2

AFFIDAVIT — METES AND BOUNDS

STATE OF ILLINOIS)
COUNTY OF DU PAGE) SS.

AFFIDAVIT — METES AND BOUNDS

Peter Blaskiewicz, being duly sworn on oath,
states that he/she resides at 1721 S. Depue Road, Wheaton
That the attached deed is not in violation of Section 205/1 of Chapter 765 of the Illinois Compiled Statutes for one of the following reasons:

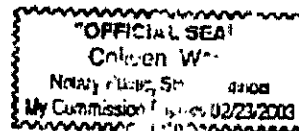
1. The division or subdivision of land is into parcels or tracts of five acres or more in size which does not involve any new streets or easements of access.
2. The division is of lots or blocks of less than one acre in any recorded subdivision which does not involve any new streets or easements of access.
3. The sale or exchange of parcels of land is between owners of adjoining and contiguous land.
4. The conveyance is of parcels of land or interests therein for use as right of way for railroads or other public utility facilities, which does not involve any new streets or easements of access.
5. The conveyance is of land owned by a railroad or other public utility which does not involve any new streets or easements of access.
6. The conveyance is of land for highway or other public purposes or grants of conveyances relating to the dedication of land for public use or instruments relating to the vacation of land impressed with a public use.
7. The conveyance is made to correct descriptions in prior conveyances.
8. The sale or exchange is of parcels or tracts of land following the division into no more than two parts of a particular parcel or tract of land existing on July 17, 1959 and not involving any new streets or easements of access.
9. The sale is of a single lot of less than five acres from a larger tract, the dimensions and configurations of said larger tract having been determined by the dimensions and configuration of said larger tract on October 1, 1973, and no sale, prior to this sale, or any lot or lots from said larger tract having taken place since October 1, 1973 and a survey of said single lot having been made by a registered land surveyor.
10. The conveyance is of land described in the same manner as title was taken by grantor(s).

THE APPLICABLE STATEMENT OR STATEMENTS ABOVE ARE CIRCLED.

AFFIANT further states that he/she makes this affidavit for the purpose of inducing the Recorder of DuPage County, State of Illinois, to accept the attached deed for recording.

SUBSCRIBED AND SWORN TO before me

this 17 day of November, 2000
Colleen Ward
Notary Public



J. P. "RICK" CARNEY, DU PAGE COUNTY RECORDER
421 N. COUNTY FARM ROAD, BOX 936, WHEATON, ILLINOIS 60189

(Rev. 12/94)

ATTACHMENT - 2



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

EDWARD HOSPITAL, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON MARCH 30, 1984, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



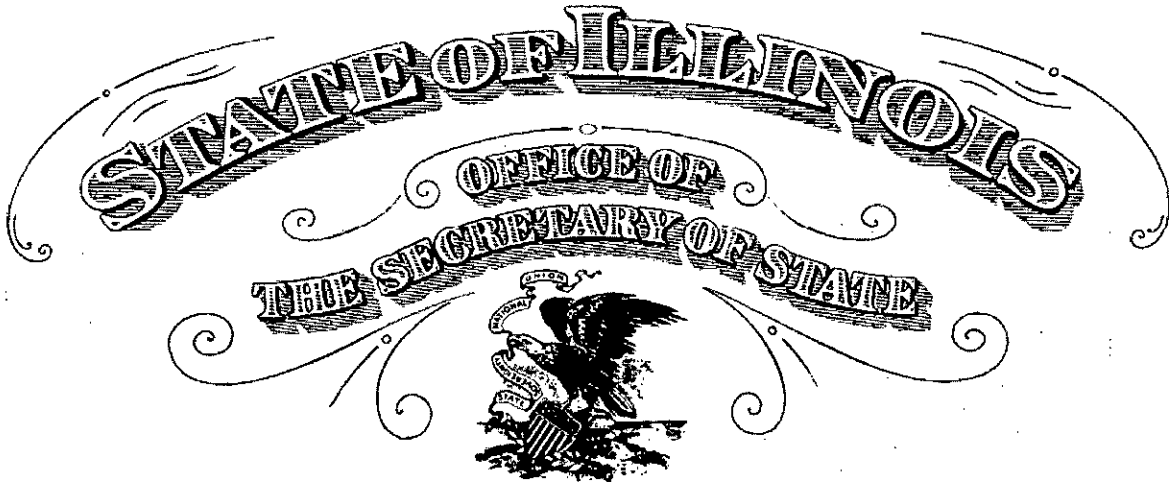
Authentication #: 1732102176 verifiable until 11/17/2018
Authenticate at: <http://www.cyberdriveillinois.com>

In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 17TH
day of NOVEMBER A.D. 2017 .

Jesse White

SECRETARY OF STATE

ATTACHMENT - 3



To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that I am the keeper of the records of the Department of Business Services. I certify that

EDWARD-ELMHURST HEALTHCARE, A DOMESTIC CORPORATION, INCORPORATED UNDER THE LAWS OF THIS STATE ON APRIL 27, 1987, APPEARS TO HAVE COMPLIED WITH ALL THE PROVISIONS OF THE GENERAL NOT FOR PROFIT CORPORATION ACT OF THIS STATE, AND AS OF THIS DATE, IS IN GOOD STANDING AS A DOMESTIC CORPORATION IN THE STATE OF ILLINOIS.



Authentication #: 1732102148 verifiable until 11/17/2018

Authenticate at: <http://www.cyberdriveillinois.com>

***In Testimony Whereof, I hereto set
my hand and cause to be affixed the Great Seal of
the State of Illinois, this 17TH
day of NOVEMBER A.D. 2017 .***

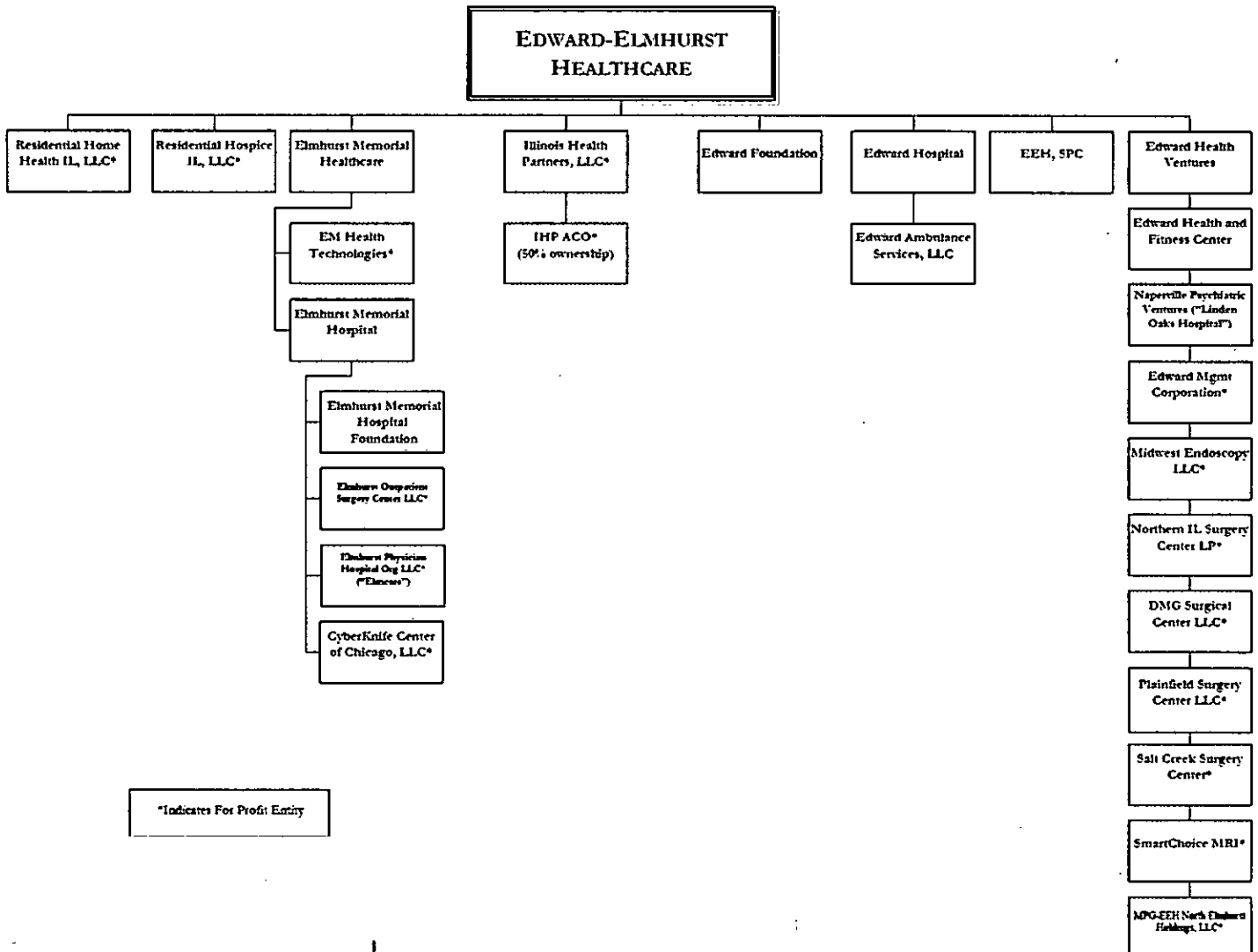
Jesse White

SECRETARY OF STATE

ATTACHMENT - 3

Organizational Relationships—Both Edward-Elmhurst Healthcare and Edward Hospital (co-Applicants) are included on the organizational chart below.

Provide (for each co-applicant) an organizational chart containing the name and relationship of any person who is related (as defined in Part 1130.140). If the related person is participating in the development or funding of the project, describe the interest and the amount and type of any financial contribution.



Edward-Elmhurst Healthcare ("EEH") is the sole corporate member of Edward Hospital, Edward Health Ventures, Edward Foundation, EEH, SPC, Elmhurst Memorial Healthcare, and Illinois Health Partners, LLC.

EEH participates in the following joint ventures and owns interests as listed:

Residential Home Health Illinois, LLC (60%)

Residential Hospice Illinois, LLC (42.5%)

Edward Hospital participates in the following joint ventures and owns interests as listed:

Edward Ambulance Services LLC (55%)

ATTACHMENT- 4

Healthy Driven™

Edward-Elmhurst HEALTH

September 7, 2018

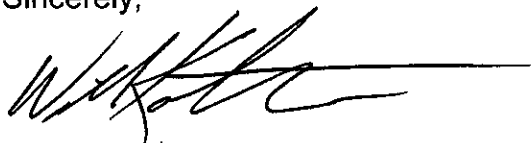
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for East Building Floodplain Requirements

To Whom It May Concern:

I hereby attest that Edward Hospital is not located in a floodplain and that the proposed project complies with the Illinois Executive Order #2006-5.

Sincerely,



William Kottmann
President and CEO, Edward Hospital

Acknowledgement

State of Illinois
County of DuPage

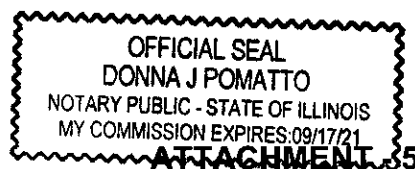
This instrument was acknowledged before me on September 7 20 18, by

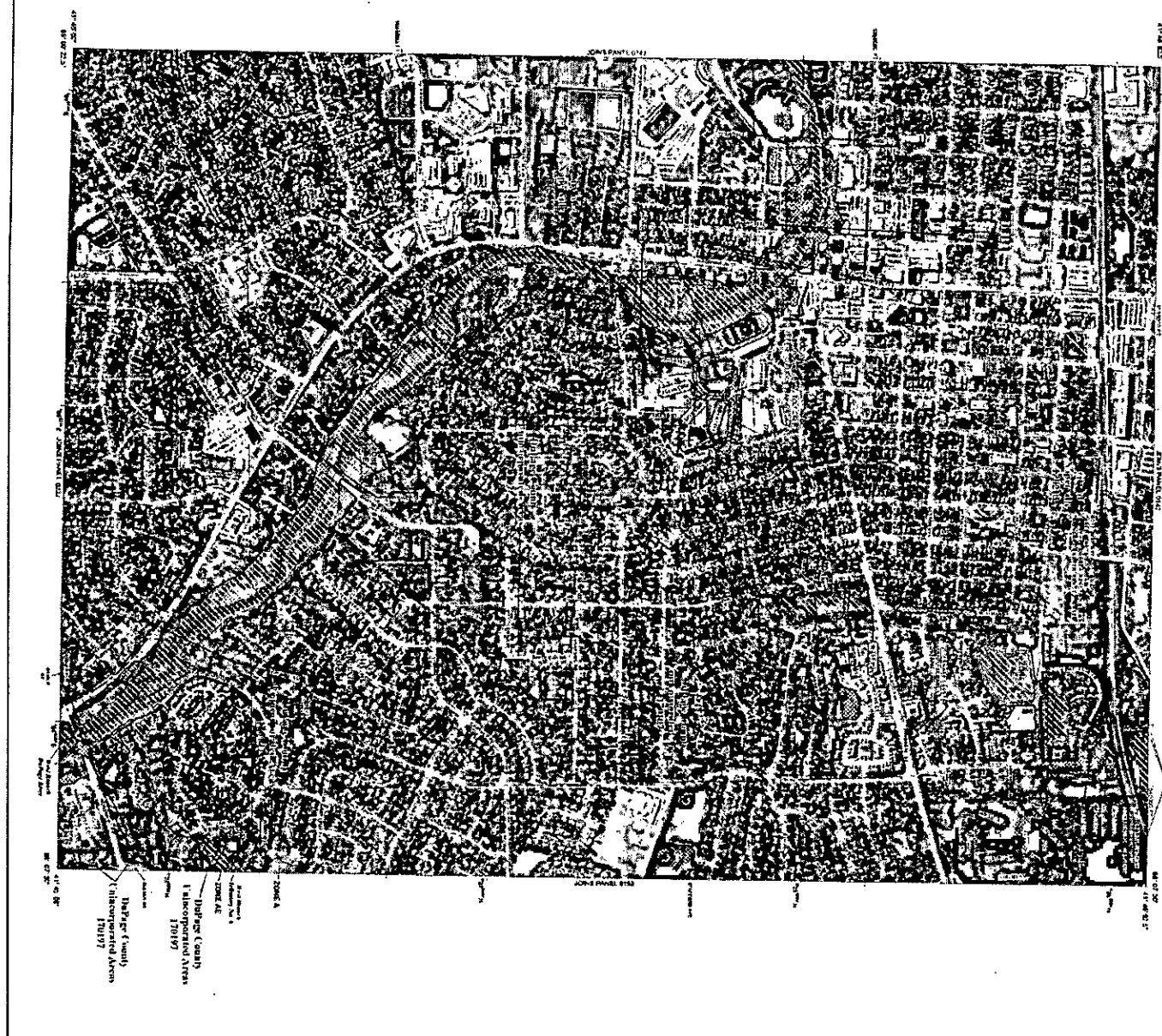
William Kottmann
(Name of Person)



Notary Public
(seal)

Edward Hospital
801 S. Washington Street
Naperville, IL 60540







Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

FAX (217) 524-7525

DuPage County
Naperville
CON - New Construction of East Building
801 S. Washington St.
SHPO Log #012012218

February 21, 2018

Minh Nguyen
Edward Hospital
Attn: Planning/Marketing Department
801 S. Washington St.
Naperville, IL 60540

Dear Mr. Nguyen:

This letter is to inform you that we have reviewed the information provided concerning the referenced project.

Our review of the records indicates that no historic, architectural or archaeological sites exist within the project area.

Please retain this letter in your files as evidence of compliance with Section 4 of the Illinois State Agency Historic Resources Preservation Act (20 ILCS 3420/1 et. seq.). This clearance remains in effect for two years from date of issuance. It does not pertain to any discovery during construction, nor is it a clearance for purposes of the Illinois Human Skeletal Remains Protection Act (20 ILCS 3440).

If you have any further questions, please contact me at 217/785-5031.

Sincerely,

A handwritten signature in black ink, appearing to read "Rachel", followed by a long horizontal flourish.

Rachel Leibowitz, Ph.D.
Deputy State Historic
Preservation Officer

ATTACHMENT - 6

Project Costs and Sources of Funds- ITEMIZATION

Preplanning Costs:	Total:	\$ 73,000
	Concept and Programming - MCA	\$ 35,000
	Pre-Construction Services - Power	\$ 38,000
Site Survey and Soil Investigation:	Total:	\$ -
	Site Survey	
	Soil Borings and Testing	
Site Preparation:	Total:	\$ -
	Demolition of Existing Building Structure Components	
	Site staging for Construction	
	Electrical Site Infrastructure	
	Site Utility Reconfiguration	
New Construction Contracts:	Total:	\$ 19,383,178
	Construction Cost	\$ 18,118,506
	General Conditions / Temp Utilities	\$ 634,148
	Insurance	\$ 177,561
	Construction Management	\$ 452,963
Modernization Contracts:	Total:	\$ 501,606
	Construction Cost	\$ 468,878
	General Conditions / Temp Utilities	\$ 16,411
	Insurance	\$ 4,595
	Construction Management	\$ 11,722
Contingencies	Total:	\$ 1,019,320
Architectural/Engineering Fees	Total:	\$ 1,491,359
Consulting and Other Fees:	Total:	\$ 142,500
	CON Application	\$ 52,500
	Post Project Audit	\$ 35,000
	IDPH Plan Review	\$ -
	Commissioning	\$ 20,000
	Building Inspections	\$ 10,000
	Permits / Testing	\$ 25,000
Movable and Other Equipment: (not in construction contracts)	Total:	\$ 124,000
	Major Medical- Exam Room Equipment	\$ 108,000
	Minor Medical	\$ 16,000
Other Costs to be Capitalized:	Total:	\$ 632,720
	Furnishings	\$ 359,720
	IS / Telecommunications	\$ 220,000
	Security System	\$ 35,000
	Signage	\$ 18,000
	TOTAL:	\$ 23,367,683

ATTACHMENT- 7

Cost Space Requirements

Dept. / Area	Total Cost	Gross Square Feet		Amount of Proposed Total Gross Square Feet That Is:			
		Existing	Proposed	New Construction	Modernized	As Is	Vacated Space
REVIEWABLE	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Reviewable							
NON REVIEWABLE							
Shelled Space			12,468	12,468			
Physician Office Space			12,543	12,543			
Mechanical			7,725	7,725			
Support Spaces			1,157	576	581		
Public Areas (elevator, stairs, corridors, connecting bridge)			14,115	13,289	826		
Total Non-Reviewable			48,008	46,601	1,407		
TOTAL			48,008	93,202	1,407		

No vacated space will be resulted from this proposed project.

ATTACHMENT - 9

Section III: Background of Applicant

Edward Hospital, Applicant, has ownership over the entities listed below:

Edward Ambulance Services:

State of Illinois License Number: 008967

Plainfield Free-Standing Emergency Department:

State of Illinois License Number: 22003

Copies of licenses and accreditation are included as attachments in the following pages.

There has been no adverse action taken against any facility, as certified in the attached letter. This letter also provides the HFSRB and DPH access to any requisite documents.

ATTACHMENT- 11

Healthy Driven[™]

Edward-Elmhurst

HEALTH

September 7, 2018

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for East Building Expansion

To Whom It May Concern:

In accordance with Review Criteria 1110.110, Background of Applicant, we are submitting this letter assuring the Illinois Health Facilities and Services Review Board that no adverse action have been taken against Edward Hospital or any other facility owned or operated by the co-applicants during the three years prior to the filing of this application.

Further the HFSRB and the DPH is herein given authorization to review any records necessary for the verification of the information provided in this CON application.

Sincerely,




William Kottmann
President and CEO, Edward Hospital

Acknowledgement

State of Illinois
County of DuPage

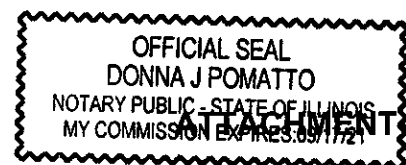
This instrument was acknowledged before me on September 7 20 18, by

William Kottmann
(Name of Person)




Notary Public
(seal)

Edward Hospital
801 S. Washington Street
Naperville, IL 60540



11

 Illinois Department of PUBLIC HEALTH		HF116196
LICENSE, PERMIT, CERTIFICATION, REGISTRATION		
<small>The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.</small>		
Nirav D. Shah, M.D.,J.D. Director		<small>Issued under the authority of the Illinois Department of Public Health</small>
EXPIRATION DATE 6/30/2019	CATEGORY	ID NUMBER 0003905
General Hospital Effective: 07/01/2018		
Edward Hospital 801 S. Washington Street Naperville, IL 60540		
<small>The face of this license has a colored background. Printed by Authority of the State of Illinois • P.O. #48240 5M 5/16</small>		

← DISPLAY THIS PART IN A
CONSPICUOUS PLACE

Exp. Date 6/30/2019

Lic Number 0003905

Date Printed 6/26/2018

Edward Hospital

801 S. Washington Street
Naperville, IL 60540

FEE RECEIPT NO.

ATTACHMENT - 11



July 19, 2018

Bill Kottmann, MBA
President and Chief Executive Officer
Edward Hospital
801 South Washington Street
Naperville, IL 60540

Joint Commission ID #: 7394
Program: Hospital Accreditation
Accreditation Activity: Unannounced Full Event
Accreditation Activity Completed : 6/29/2018

Dear Mr. Kottmann:

The Joint Commission thanks Edward Hospital for participating in the accreditation process.

Your organization received Requirement(s) for Improvement during its recent review. These Requirement(s) for Improvement and follow-up activities have been summarized in the Accreditation Report that is posted on your secure extranet site, The Joint Commission Connect.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that our information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

ATTACHMENT - 11



**Illinois Department of
PUBLIC HEALTH**

HF116547

LICENSE, PERMIT, CERTIFICATION, REGISTRATION

The person, firm or corporation whose name appears on this certificate has complied with the provisions of the Illinois statutes and/or rules and regulations and is hereby authorized to engage in the activity as indicated below.

Nirav D. Shah, M.D., J.D.
Director

Issued under the authority of
the Illinois Department of
Public Health

EXPIRATION DATE	CATEGORY	ED NUMBER
9/10/2019		22003
Free Standing Emergency Center		
Licensed Beds: 15		

Edward Plainfield Emergency Center
24600 W. 127th Street
Plainfield, IL 60585

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CONSPICUOUS PLACE

Exp. Date 9/10/2019

Lic Number 22003

Date Printed 8/30/2018

Edward Plainfield Emergency Center
24600 W. 127th St.
Plainfield, IL 60585

FEE RECEIPT NO.

ATTACHMENT - 11

Section III: Criterion 1110.230 – Purpose of the Project

The proposed project provides for the addition of 1 floor of medical office space and 1 floor of shelved space for future medical office or clinical/support space development. This project is a response to the demand expressed for future medical office space on campus. The location of the proposed space is optimally adjacent to Edward Hospital and other physician office space. Locating the proposed physician office space on the hospital campus allows for easy access to diagnostic imaging and testing as well as enhanced coordination of care amongst providers.

In addition, there is recognition that the cost to build additional floors concurrent with approved Project #18-015 will be significantly less costly and less disruptive than building these floors at some future date.

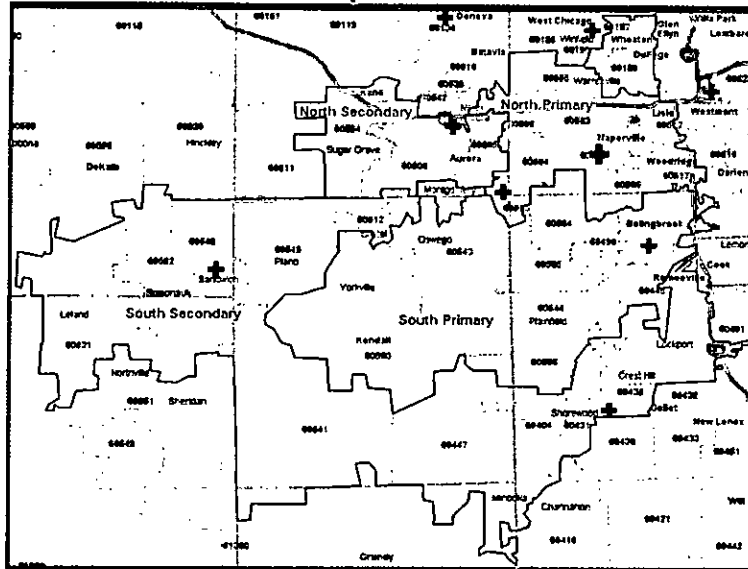
Approved Project # 18-015 provided for a three story building with a reinforced foundation to support an additional two floors in the future. Recent factors have prompted EEH to reconsider the strategy of waiting to add the additional floors:

- We have determined that adding the two floors in the future will add considerable costs and complications, compared with adding the floors in the original design and construction. This is due not only to inflation of the costs of materials and construction, but also to the limited construction staging area available once the three story building is completed. This will result in a more costly construction (due to the need for tower cranes, etc.), as well as greater inconvenience, due to temporary road closures and increased noise and congestion. A recent financial analysis shows an additional 40% construction cost premium if the two floors were added five years from now, versus in the initial construction period.
- Architectural drawings of the three story structure show the need for a mechanical room, placed on the roof of the structure, which would occupy approximately 60% of the floor area of the roof. If EEH were to expand in the future, this roof would become one of the expansion floors, thereby significantly limiting the potential floor area gained by adding the two floors in the future. To maximize space, EEH is proposing to add the two floors now and placing the mechanical room on the roof of the fifth floor.
- Since project approval, several physician group have identified interest in additional program space on the hospital campus.

Market Area

The market area for this project is presented below. Edward Hospital's Primary Service Area (PSA) consists of the communities located in DuPage, Will, Kane and Kendall Counties, including Naperville, Lisle, Woodridge, Bolingbrook, Plainfield, Oswego and Yorkville. Edward Hospital's PSA has nearly 605,000 residents according to demographic analyses conducted by Environics Analytics iXPRESS for 2017 and is projected to grow 2.6% by 2022, with disproportionate growth expected in the population over 65 years old. Over 70% of inpatients utilizing Edward Hospital live within its defined PSA. Edward Hospital's Secondary Service Area (SSA) consists of the communities of Wheaton, Aurora/Fox Valley, Sugar Grove, Lockport, Crest Hill, Shorewood, Minooka, Plano, Sandwich, Somonauk and Leland. Edward Hospital's SSA has nearly 430,000 residents according to the same source cited above and is projected to grow 1.5% by 2022. Approximately 11% of inpatients utilizing Edward Hospital live within its defined SSA.

Edward Hospital Service Area



Current Issues

Demand for physician and other clinical services has increased significantly on the Edward campus due to the growing and aging population within Edward Hospital's service areas, coupled with strategic partnerships with physician groups in the area, designed to ensure the needs of the community are met locally.

The goals and objectives of this project are provided in the following table:

Goal	Objective	Time Frame
Ensure sufficient office space is available to meet the demand for physician services within the Edward Hospital service area and to support EEH's coordinated approach to patient care	Increase leased physician office space available to physician groups on campus	November 2020
Reduce long term development and construction costs	Avoid additional costs associated with phasing and future development by building concurrently with existing East Building project	November 2020

Section III: Criterion 1110.230 – Alternatives

Alternatives considered include:

1. Propose a project of greater or lesser scope:

- **Do not build additional floors**

Cost: \$0

Since this project was approved, several physician groups have approached Hospital administration with their interest in expanding on the campus. There is no other space on campus to reasonably accommodate this demand.

Impact on quality and access: Negative.

This option will not accommodate the need for additional physician office space. Patients often receive additional diagnostic testing, cardiac rehabilitation and other services at times coordinated with their physician appointments. The ability to schedule these services the same day and in the same place as the physician visit expedites time to diagnosis and treatment, reduces patient and family anxiety, and promotes positive patient satisfaction. This benefit would be diminished if physician offices were moved off site. Furthermore, travel times would increase, along with the burden of transportation borne by patients.

Financial Impact: Negative.

Future space needs were contemplated in the planning of the original project; however, the incremental cost of deferring the expansion was not fully recognized. The cost of adding floors at a later date is estimated to be 40% higher than building concurrently with the approved project.

2. Pursuing a Joint Venture or Similar Arrangement or Developing Alternative Settings

Impact on Cost and Quality: N/A

This option is not applicable to this project since there is no natural joint venture partner for the development of physician office and clinical/support space on the Edward Hospital campus. Since the project is based on demand for space on campus, alternative settings are not applicable.

3. Utilizing Other Health Care Resources

Impact on Cost and Quality: N/A

Since this project is a response to the demand for additional physician offices on Edward Hospital's campus, the use of other healthcare resources is not applicable. There are no reasonable alternatives for physicians who wish to practice at Edward Hospital and for patients who want to wish to be treated at Edward Hospital.

ATTACHMENT – 13

The chosen alternative is the addition of two floors to East Building to accommodate growth in physician practice space and future clinical/support space. The cost will be approximately 40% less than constructing at a later date.

Section IV: Criterion 1110.234 - Project Scope, Utilization, and Unfinished/Shell Space

SIZE OF PROJECT

The proposed project includes construction of two stories on the East Building currently under construction (Project #18-015) and will include one floor of leased physician office space and one floor of shelled space.

Due to zoning regulations, the maximum height of the East Building is five stories. The East Building in Project #18-015 was designed for three stories, with the option to add two additional stories in the future. At the time, and in the interest of being financially conservative, management decided to only build three stories. Since approval of this project, there has been an increase in demand for leased physician space. The location of this office space is attractive to physicians due to its close proximity to the hospital, which will allow for stronger collaboration with the hospital and other specialists. Close proximity to the hospital will also allow for easy patient access to diagnostic imaging and testing.

Currently, there is demand for one additional floor of leased physician office space. Due to the significantly higher cost of adding one floor in the future and the complications of future staging, one floor of shelled space is being proposed as a part of this project. The proposed two floors is designed to be within the footprint of the original building, thus will be equal in size in terms of gross square feet (GSF) to the other floors.

There are a number of potential uses for the shell space incorporated into this project, including additional medical office space, expanded or relocated hospital clinical space, and additional educational, administrative and support space. Given the cost savings associated with building the two floors now, we are proposing we are deliberate in the planning of this space and return to the IHFSRB Board at a later date with detailed plans.

The amount of physical space proposed in this project is necessary and not excessive. The architectural design firm of Matthei & Colin Associates developed schematic design plans based on the AIA guidelines to meet the functional program needs.

The proposed project consists of construction of leased physician office space, therefore, do not have HFSRB standards.

PROJECT SERVICES UTILIZATION

The utilization criterion is applicable to projects that involve hospital space under licensure of the Illinois Hospital Licensing Act for which standards are set pursuant to Section 1110 Appendix B. The proposed project consists of construction of leased physician office space, therefore, this criterion is not applicable.

UNFINISHED OR SHELL SPACE:

The gross square footage (GSF) of the proposed shell space will be 12,468.

It has not yet been finalized how the shelled space will be utilized. Potential options include leased physician office space that would accommodate either a large group or several small practices. The shelled space may also be used for hospital administrative support space and/or additional hospital clinical space.

Adding two additional floors in the future would add considerable costs and complication compared to adding the floors in the current design and construction. This is due not only to inflation of the costs of materials and construction, but also to the limited construction staging area available once the three story building is completed. This will result in a more costly construction (due to the need for tower cranes, etc.), as well as greater inconvenience, due to temporary road closures and increased noise and congestion.

Healthy Driven[™]

Edward-Elmhurst
HEALTH

September 7, 2018

Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for East Building Expansion

To Whom It May Concern:

I hereby attest that Edward Hospital will submit to the HFSRB a CON application to develop and utilize the shell space, regardless of the capital thresholds in effect at the time or the categories of service involved.

The estimated date Edward Hospital will submit the subsequent CON application is within three years of project approval.


Sincerely,



William Kottmann
President and CEO, Edward Hospital

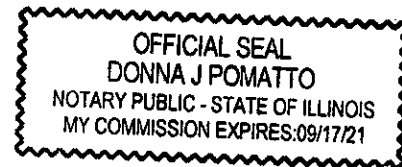
This instrument was acknowledged before me on September 7 2018, by

William Kottmann
(Name of Person)



Notary Public
(seal)

Edward Hospital
801 S. Washington Street
Naperville, IL 60540



ATTACHMENT- 17

FINANCIAL VIABILITY

Financial Viability Waiver

The applicant, Edward-Elmhurst Healthcare, has an A/Stable Bond Rating from S&P Global Ratings and Fitch Ratings as reflected in the attached documents.

Edward-Elmhurst Healthcare, Illinois

New Issue Report

Ratings

New Issues

\$197,820,000 Illinois Finance Authority Fixed-Rate Revenue Bonds, Series 2017A
 \$47,590,000 Variable-Rate Direct Purchase Bonds (JPMorgan), Series 2017B
 \$42,990,000 Variable-Rate Direct Purchase Bonds (Bank of America), Series 2017C

A

NR

NR

NR – Not rated.

Outstanding Debt

See page 2 for a full listing of outstanding rated debt.

Rating Outlook

Stable

Related Research

Fitch Rates Edward-Elmhurst Healthcare's (IL) Series 2017A Revenue Bonds 'A'; Outlook: Stable (January 2017)

Fitch Rates Edward-Elmhurst Healthcare (IL) Series 2016A Revenue Bonds 'A'; Outlook: Stable (October 2016)

Analysts

Mark Pascaris
 +1 312 368-3135
 mark.pascaris@fitchratings.com

Paul Rizzo
 +1 212 612-7875
 paul.rizzo@fitchratings.com

New Issue Details

Sale Information: \$197,820,000 Illinois Finance Authority Fixed-Rate Revenue Bonds, Series 2017A, expected to sell on Jan. 11 via negotiation.

Security: Bond payments are to be secured by a joint and several revenue pledge of the Edward-Elmhurst Healthcare (EEH) obligated group, which will be created upon the issuance of the series 2017 financing. The bonds are not to be supported by a mortgage or a debt service reserve fund (DSRF).

Purpose: Bond proceeds from the series 2017 financings will refund and advance refund Edward Hospital's (Edward) series 2008A fixed-rate bonds, Edward's series 2008B-1 variable-rate demand bonds (VRDBs), Edward's series 2009A VRDBs, Elmhurst Memorial Healthcare's (Elmhurst) series 2008A fixed-rate bonds and pay the costs of issuance. Pro forma maximum annual debt service (MADS) is \$45.1 million.

Final Maturity: 2047.

Key Rating Drivers

Plan to Combine Obligated Groups: The creation of the EEH obligated group is one of the final steps in the process of merging Edward and Elmhurst. While the formation of the EEH obligated group is happening one or two years earlier than originally planned, this is not unexpected as Edward-Elmhurst has been operating as a single system since the merger was finalized on July 1, 2013. After the issuance of the series 2017 bonds, the separate Edward and Elmhurst obligated groups will cease to exist.

Growing Market Presence in Favorable Service Area: EEH is benefiting from volume growth in its favorable western Chicago suburban service area. Despite a competitive service area, EEH has realized market share growth in recent years.

Somewhat Modest Operating Margins: While profitable, EEH's operating EBITDA margins are somewhat modest for the 'A' rating category. In fiscal years 2015 and 2016, EEH recorded operating EBITDA margins of 8.7% and 8.4%, respectively.

Elevated Debt Load: Due to Elmhurst's heavy debt burden, EEH's pro forma debt service ratios are somewhat stressed. Pro forma MADS coverage by EBITDA is modest at 2.9x as is debt-to-EBITDA at 5.5x. Pro forma MADS as a percentage of revenue is manageable at 3.6%.

Mixed Liquidity Ratios: EEH's liquidity position is mixed. While pro forma cash on hand (226 days) and cushion ratio (16.0x) are adequate, pro forma cash to debt is thin at 100%.

Rating Sensitivities

Sustained Operating Results: Fitch Ratings expects the newly combined EEH obligated group to benefit from its growing market position, modern physical plant and favorable physician relationships to sustain, if not improve, operating margins over time. Given that the system does not have new money debt plans in the coming years, debt service coverage and liquidity ratios should improve over time.

Rating History — Edward

Rating	Action	Outlook/ Watch	Date
A	Downgraded	Stable	10/19/16
A+	Assigned	Stable	11/18/15

Rating History — Elmhurst

Rating	Action	Outlook/ Watch	Date
A	Upgraded	Stable	10/19/16
BBB	Affirmed	Positive	10/8/15
BBB	Affirmed	Stable	10/9/14
BBB	Downgraded	RWN	7/30/12
A-	Affirmed	Stable	2/7/11
A-	Downgraded	Stable	4/25/08
A	Affirmed	Stable	1/18/06
A	Upgraded	Stable	12/20/04
A-	Affirmed	Positive	12/11/03
A-	Assigned	Stable	11/26/02

RWN – Rating Watch Negative.

Rating History — Edward-Elmhurst

Rating	Action	Outlook/ Watch	Date
A	Assigned	Stable	1/5/17

Related Criteria

U.S. Nonprofit Hospitals and Health Systems Rating Criteria (June 2015)
Revenue-Supported Rating Criteria (June 2014)

Outstanding Debt^{a b}

\$86,100,000 Illinois Finance Authority Fixed-Rate Revenue Bonds (Edward), Series 2008A A
\$48,560,000 Illinois Finance Authority Variable-Rate Demand Bonds (Edward), Series 2008B-1 (JPM LOC) A (underlying)
\$48,560,000 Illinois Finance Authority Variable-Rate Demand Bonds, Series (Edward), 2008B-2 (JPM LOC) A (underlying)
\$9,170,000 Illinois Finance Authority Variable-Rate Demand Bonds (Edward), Series 2008C (JPM LOC) A (underlying)
\$42,880,000 Illinois Finance Authority Variable-Rate Demand Bonds (Edward), Series 2009A (BMO LOC) A (underlying)
\$14,375,000 Illinois Finance Authority (Edward), Series 2012A NR

\$76,025,000 Illinois Finance Authority Taxable Fixed-Rate Revenue Bonds (Elmhurst), Series 2013A A
\$30,500,000 Illinois Finance Authority Taxable Variable-Rate Revenue Bonds (Elmhurst), Series 2013B A
\$124,815,000 Illinois Finance Authority Fixed-Rate Revenue Bonds (Elmhurst), Series 2006A A
\$50,000,000 Illinois Finance Authority Variable-Rate Revenue Bonds, Series (Elmhurst), Series 2008D (supported by BMO Harris Bank LOC) A
\$190,000,000 Illinois Finance Authority Variable-Rate Private Placement (Elmhurst), Series 2013C&D NR

^aOutstanding debt from Edward was downgraded from 'A+' on Oct. 19, 2016. ^bOutstanding debt from Elmhurst was upgraded from 'BBB' on Oct. 19, 2016. NR – Not rated.

Credit Profile

EEH is the result of the July 2013 merger between Edward and Elmhurst. EEH is a 613-licensed-bed health system headquartered in Naperville, IL, with inpatient acute care hospitals in Naperville and Elmhurst and the Linden Oaks Hospital, a 108-bed psychiatric hospital in Naperville. Naperville and Elmhurst are located 33 miles and 18 miles, respectively, west of downtown Chicago. EEH generated just over \$1.2 billion in operating revenue in fiscal 2016 (June 30 fiscal year end).

Growing Market Presence in Favorable Service Area

EEH has benefited from considerable volume growth in its favorable western Chicago suburban service area. Between fiscal years 2014 and 2016, inpatient admissions increased 10% (9.7% including observation stays), total surgeries 6.1% and outpatient visits 17.6%. These volume trends are particularly notable given that inpatient trends are stagnant in the Chicago metropolitan service area. The EEH management team has been successful at implementing strategic growth initiatives for expansion, particularly at the Elmhurst campus, which had been underperforming prior to the merger.

EEH continues to benefit from its tight relationship with the DuPage Medical Group (DMG), a multispecialty group with over 600 physicians. EEH and DMG share the same instance of the Epic electronic medical record (EMR). In addition, EEH and DMG participate in Illinois Health Partners and Illinois Health Partners, ACO, physician-hospital organizations that manage nearly 150,000 covered lives.

Despite a competitive service area, EEH's volume growth has led to market share gains in recent years. Between fiscal 2013 and nine-months fiscal 2016, EEH increased its inpatient market share position in its primary service area (PSA) each year, to 35.9% from 32.9%. EEH's market share growth has come largely at the expense of Good Samaritan Hospital (a member of Advocate Health Care, rated 'AA/Stable' by Fitch), whose market share position in EEH's PSA decreased to 7.5% from 8.5% and Central DuPage Hospital (a member of Northwestern Medicine), whose market share position decreased to 5.4% from 6.4%.

Somewhat Modest Operating Margins

While profitable, EEH's operating EBITDA margins are somewhat modest for the 'A' rating category. In fiscal years 2015 and 2016, EEH recorded operating EBITDA margins of 8.7% and 8.4%, respectively (fiscal 2015 adjusted to remove one-time \$6 million recovery audit contractor payment and \$2.5 million rural floor settlement from operating revenue). These are modest compared to the 'A' rating category median of 10.3%. Despite driving notable improvement at Elmhurst, operating profitability at Elmhurst continues to be a drag on system results; in fiscal years 2015 and 2016, the Elmhurst campus recorded operating EBITDA margins of 6.0% and 6.6%, respectively.

Looking forward, management has budgeted a 7.7% operating EBITDA margin in fiscal 2017, which includes one-time costs associated with Elmhurst's go-live of the Epic EMR system in October 2016. In the first quarter of fiscal 2017, EEH recorded a modest operating EBITDA margin of 5.3%. Beyond, fiscal 2017, management projects an operating EBITDA margin in the 8%-9% range, which Fitch expects EEH to meet if not exceed.

Payor Mix

(% Gross Revenues, Fiscal Years Ended June 30)

	2014	2015	2016
Medicare	39.3	40.8	40.2
Medicaid	7.6	8.5	8.5
Commercial and Managed Care	47.6	45.6	47.5
Self-Pay	3.2	1.7	1.6
Other	2.3	2.4	2.2
Total	100.0	100.0	100.0

Source: Edward-Elmhurst Healthcare and Fitch.

Utilization Data

(Fiscal Years Ended June 30)

	2014	2015	2016
Operated Beds	674	721	721
Acute Adult Admissions/Discharges	34,678	37,791	38,146
Acute Adult Patient Days	173,459	185,085	183,979
Average Length of Stay (Days)	5.0	4.9	4.8
Average Daily Census	475	507	504
Occupancy (%)	77.0	76.3	75.8
Observation Cases	12,131	12,563	13,209
Hospital Stays (Admissions plus Observation Cases)	46,809	50,354	51,355
Births	4,392	4,596	4,532
Inpatient Surgeries	8,869	9,766	10,042
Outpatient Surgeries	17,524	16,977	17,953
Emergency Department Visits, Net of Admissions	123,331	136,512	141,112
Outpatient/Clinic Visits	729,717	781,155	858,013
Medicare Casemix Index	1.65	1.66	1.70

Source: Edward-Elmhurst Healthcare and Fitch.

Elevated Debt Load

Because of Elmhurst's heavy debt burden, EEH's pro forma debt service ratios are somewhat stressed. Pro forma MADS is \$45.1 million. Pro forma MADS coverage by EBITDA is modest at 2.9x ('A' rating category median is 4.5x) as is debt-to-EBITDA at 5.6x ('A' rating category median is 2.8x). Pro forma MADS as a percentage of revenue is manageable at

3.6% ('A' rating category median is 2.7%). Fitch expects EEH to grow absolute cash flow and, therefore, debt ratios should improve over time.

EEH's pro forma debt will be a mix of fixed-rate debt (42% of pro forma debt outstanding) and variable rate (58%). Variable-rate debt series will consist of VRDBs supported by letters of credit (LOC), direct bank purchases and R-Floats.

EEH's financial covenants in the MTI include a minimum debt service coverage ratio of 1.10x (consultant call-in) and a 1.00x event of default if debt service coverage is below this level for two consecutive fiscal years (unless at the end of the second fiscal year cash on hand exceeds 70 days).

EEH has a legacy defined benefit pension plan (from Elmhurst) that was frozen in December 2013. The plan was 75% funded relative to a projected benefit obligation of \$237 million at year-end fiscal 2016.

EEH has just over \$500 million notional of swaps outstanding, including fixed payor, fixed-spread basis, and basis swaps. Counterparties include JPMorgan, PNC, Deutsch Bank, Goldman Sachs, Citi, UBS, Morgan Stanley and Merrill Lynch. The net termination value of the swaps at the end of fiscal 2016 was a negative \$53 million to EEH.

New Issue Details

As part of the 2017 plan of finance, EEH also plans to issue \$47.6 million of series 2017B direct purchase variable-rate bonds (with JPMorgan) and \$43.0 million of series 2017C direct purchase variable-rate bonds (with Bank of America); the series 2017B&C bonds are not rated by Fitch. Bond proceeds from the series 2017 financings, which include releasing \$10.5 million of DSRFs, will refund and advance refund Edward's series 2008A fixed-rate bonds, Edward's series 2008B-1 VRDBs, Edward's series 2009A VRDBs, Elmhurst series 2008A fixed-rate bonds and pay the costs of issuance. The bonds are expected to sell the week of Jan. 11 via negotiation.

Mixed Liquidity Ratios

EEH's liquidity position is mixed relative to its 'A' rated peer group. Unrestricted cash and investments measured \$721 million at the end of fiscal 2016. EEH's pro forma cash on hand of 226 days and cushion ratio of 16.0x are adequate ('A' rating category medians are 216 days and 19.4x, respectively). Pro forma cash-to-debt is thin at 100% ('A' rating category median is 149%). EEH's liquidity ratios should strengthen over time as EEH has manageable capital spending plans and absolute cash flow growth is expected.

Manageable Capital Spending

EEH has manageable capital spending plans, as both Edward and Elmhurst invested considerably in physical plant in recent years. EEH's average age of plant measured 11.7 years at the end of fiscal 2016 ('A' rating category median is 11.0 years). Capital spending in the coming years will be focused on ambulatory development and information technology. EEH does not have new money debt plans in the near term.

Disclosure

EEH covenants to provide annual audited financial statements within 150 days of fiscal year end and unaudited quarterly statements within 45 days of quarter end to bondholders. Quarterly disclosures for both Edward and Elmhurst in the past have included a balance sheet, income statement, cash flow statement and volume statistics.

Financial Summary

(\$000, Audited Fiscal Years Ended June 30)

	2014	2015	Pro Forma 2016
Balance Sheet Data			
Unrestricted Cash and Investments	716,573	759,666	720,591
Restricted Cash and Investments	111,450	104,708	103,516
Trustee-Held Cash and Investments	31,424	31,503	31,878
Net Patient Accounts Receivable	194,385	202,741	226,926
Property, Plant and Equipment, Net	993,014	969,085	977,602
Total Assets	2,247,747	2,274,486	2,282,370
Current Liabilities	344,155	367,882	385,761
Total Debt (including Current Portion)	741,666	730,470	717,790
Demand Debt		233,895	229,670
Unrestricted Net Assets	1,007,956	1,007,358	969,455
Income and Cash Flow Data			
Net Patient Revenue	1,020,074	1,131,465	1,184,597
Other Revenue	63,349	57,702	63,774
Total Revenues	1,083,423	1,189,167	1,248,371
Salaries, Wages, Fees Benefits	578,562	626,545	668,027
Depreciation and Amortization	80,434	79,620	67,642
Interest Expense	20,046	19,294	18,233
Total Expenses	1,079,495	1,184,567	1,229,181
Income from Operations	3,928	4,600	19,190
Non-Operating Gains	141,737	51,343	24,139
Excess of Revenues over Expenses	145,665	55,943	43,329
EBITDA	246,145	154,857	129,204
Operating EBITDA	104,408	103,514	105,065
Net Unrealized Gains/(Losses)	(28,624)	(33,373)	(41,357)
Cash Flow from Operations	146,002	85,565	75,612
Net Capital Expenditures	86,205	71,795	78,668
Maximum Annual Debt Service (MADS)	45,088	45,088	45,088
Actual Annual Debt Service (AADS)	33,777	30,660	32,178
Liquidity Ratios			
Days Cash on Hand	261.8	250.9	226.4
Days in Accounts Receivable	69.6	65.4	69.9
Days in Current Liabilities	125.7	121.5	121.2
Cushion Ratio (x)	15.9	16.9	16.0
Cash/Debt (%)	96.6	104.0	100.4
Unrestricted Cash and Investments/Demand Debt (%)	—	324.8	313.8
Profitability and Operational Ratios (%)			
Operating Margin	0.4	0.4	1.5
Operating EBITDA Margin	9.6	8.7	8.4
Excess Margin	11.9	4.5	3.4
EBITDA Margin	20.1	12.5	10.2
Personnel Cost/Total Revenue	53.4	52.7	53.5
Bad Debt Provision/Patient Service Revenue	4.8	3.5	2.9
Capital Related Ratios			
MADS Coverage – EBITDA (x)	5.5	3.4	2.9
MADS Coverage – Operating EBITDA (x)	2.3	2.3	2.3
AADS Coverage – EBITDA (x)	7.3	5.1	4.0
MADS/Total Revenue (%)	4.2	3.8	3.6
Debt/EBITDA (x)	3.0	4.7	5.6
Debt/Capitalization (%)	42.4	42.0	42.5
Average Age of Plant (Years)	8.8	9.8	11.7
Capital Expenditures/Depreciation (%)	107.2	90.2	116.3

EBITDA – Earnings before interest, taxes, depreciation and amortization. N.A. – Not available. Note: Fitch may have reclassified certain financial statement items for analytical purposes.
Source: Edward-Elmhurst Healthcare and Fitch.

The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

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Illinois Finance Authority

Edward-Elmhurst Healthcare; Hospital; Joint Criteria

Credit Profile

Illinois Finance Authority, Illinois

Edward-Elmhurst Healthcare, Illinois

Illinois Finance Authority (Edward-Elmhurst Healthcare)

<i>Long Term Rating</i>	AA+/A-1	Affirmed
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Affirmed
2008B-2		
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Affirmed
<i>Long Term Rating</i>	AA+/A-1	Affirmed
2008 C		
<i>Unenhanced Rating</i>	A(SPUR)/Stable	Affirmed
<i>Long Term Rating</i>	AA+/A-1	Affirmed

Rationale

S&P Global Ratings affirmed its 'A' underlying rating (SPUR) and long-term rating on the Illinois Finance Authority's debt (2013A and 2013B) issued for Edward Hospital and Health Services Corp. and Elmhurst Memorial Healthcare, which are now part of the Edward-Elmhurst Healthcare (EEH) obligated group. S&P Global Ratings also affirmed its 'A' underlying rating (SPUR) and long-term rating on the the authority's debt outstand (2017A) issued for EEH obligated group. The outlook is stable.

At the same time, S&P Global Ratings affirmed its 'AA+/A-1' dual ratings on Edward-Elmhurst Healthcare's outstanding revenue variable rate demand bonds. We base the ratings on the application of our joint criteria using the low-correlation chart.

The 'AA+' long-term rating component on the series 2008B-2 and 2008C VRDBs is jointly based on the long-term rating on the EEH (A/Stable) and the letters of credit (LOCs) provided by JPMorgan Chase Bank N.A. (A+/Stable/A-1), with the short-term rating component based solely on JPMorgan Chase. The 'AA+' long-term rating component on the series 2008D bonds is jointly based on the long-term rating on EEH and the LOC provided by Bank of America N.A. (A+/Stable/A-1), with the short-term rating component based solely on Bank of America N.A.

The rating continues to reflect our expectation of EEH's solid financial profile, which results from healthy liquidity and financial flexibility. EEH recently performed a valuation of its accounts receivable and determined that net revenues had been overstated since before Edward and Elmhurst Memorial Hospital merged. We expect EEH to maintain its solid enterprise profile, including healthy volume trends. As a result, fiscal 2016, 2017, and first-quarter 2018 results were restated, resulting in operating losses. However, there was no cash impact, and management has taken action to

improve revenue reporting and improve internal controls.

The ratings reflect our view of EEH's:

- Solid enterprise profile in the western Chicago suburbs and consistent growth in inpatient market share, ambulatory and physician activity, and footprint;
- Stable leadership team that continues to execute its strategic plan; and
- Solid days' cash on hand that provides a buffer for unforeseen events.

Partially offsetting the above strengths, in our view, are the hospital's:

- Somewhat high leverage relative to 'A' medians, as well as an elevated contingent liability profile from variable-rate debt and private placement bonds;
- Recent operating losses due to an accounting error that had overstated accounts receivables; and
- Dependence on key large, independent medical groups.

Outlook

The stable outlook reflects our expectation that EEH will maintain its strong financial profile and market position despite the highly competitive market. Our outlook also reflects our expectation that EEH has improved its overall risk controls and risk management following the accounting error in fiscal 2017.

Downside scenario

We could lower the rating in the two-year outlook horizon if EEH's overall financial profile does not improve or operating margins are notably less than budgeted in the next two fiscal years, affecting other measures that might align with a lower rating. Also, we could revise the outlook or lower the rating following significant balance-sheet weakness. There is limited room for negative financial deviation across both the balance sheet and income statement.

Upside scenario

We could consider a higher rating over the two-year outlook period if EEH can improve its financial and enterprise profile to levels more in line with a higher rating category. This would include substantial improvement in cash on hand, operating margin, maximum annual debt service coverage, and unrestricted reserves to long-term debt.

Enterprise Profile: Strong

EEH's enterprise profile reflects a healthy business position with continuing market share growth and stability.

EEH operates in DuPage and Will counties in Illinois and defines its primary service area (PSA) as Naperville, Plainfield, and Elmhurst. The PSA population, totaling 975,312, is robust and minor growth is anticipated over the next five years. Wealth and income levels within the PSA are above national averages.

Edward is in Naperville, about 30 miles southwest of downtown Chicago. The service area has several clinics, urgent

care clinics, and ambulatory surgery centers, and Edward has a substantial presence in Plainfield (with a freestanding emergency room, a surgery center, and an outpatient center that includes cancer services). With the Elmhurst merger, the contiguous markets have been a positive factor. EEH continues to value its relationships with independent medical groups. EEH also owns 100% of Illinois Health Partners, which took effect Oct. 16, 2016; it had previously operated it with DuPage Medical Group in a 50/50 joint venture.

EEH's payor mix is satisfactory, in our opinion, because it has limited contracts that incorporate full risk outside of the shared-risk contracts in which it participates. No payors offer full-risk contracts.

Management and governance

The management team has been fairly stable since our previous analysis. However, EEH is looking for a new chief financial officer (CFO) given that the previous CFO departed in June 2017. Jeffrey Friant is serving as the interim CFO; he has worked as vice-president finance for more than three years. The team, in our opinion, has executed well on the strategic plan instituted when Edward and Elmhurst came together. Since that time, the leadership has fine-tuned and updated its strategic focus, continuing to look at adding physicians, spending capital, and watching the competitive landscape in the greater service area. EEH combined its two obligated groups in February 2017.

Also, management is working to strengthen its financial accounting and controls and has a strong emphasis on its quality and service model. The team continues to focus on improving its overall risk management given the recent accounting error.

Financial policies

The financial policies assessment is neutral, reflecting our opinion that, while there may be some areas of risk, the organization's overall financial policies are not likely to negatively affect its ability to pay debt service. Our analysis of financial policies includes a review of the system's financial reporting and disclosure, investment allocation and liquidity, debt profile, contingent liabilities, and legal structure, and a comparison of these policies to those of comparable providers. However, we consider EEH's debt profile and contingent liabilities principles negative because contingent liabilities are more than 50% of total long-term debt and swap usage is high.

Financial Profile: Strong

Accounting restatement led to prior period operating losses, but 2018 projections looks sound
In mid-2017, management engaged in a process with outside advisors to review its revenue and managed care contracts. The valuation showed that net revenues have been overstated at both organizations since before Edward and Elmhurst merged, so the reported cash flow has been overstated. At June 30, 2017, EEH's financial statements overstated accounts receivable by \$92 million; it restated 2016, 2017, and first-quarter 2018 results resulting in income statement reductions of \$21.7 million, \$16.9 million, and \$8.4 million, respectively. These numbers represent accounting adjustments recorded to reduce accounts receivable on the balance sheet and resulted in net operating losses for these periods. There was no cash impact and management has taken remedial actions. Notably, the team has engaged a national consulting firm for a revenue revitalization project and implemented new accounting procedures. Another consulting firm was engaged to review managed care contract practices related to installing and monitoring calculations in health care IT systems. The team has embarked on an overall effort to improve risk controls

and we believe it has made significant progress.

Given the 2016 and 2017 restatements, EEH reported operating margins of negative 0.85% and negative 1.61%, respectively, and negative 0.71% through the interim 2018 period ended March 2018. However, management is targeting a 2.8% operating margin for fiscal 2018 based on cost-cutting efforts and expected rate increases. We expect overall improvement based on continued cost-cutting and implementation of more stringent accounts receivable controls. Management's fiscal 2018 goal was to reduce expenditures by \$50 million; it has already exceeded this by reducing non-labor costs \$28 million and \$25 million of labor costs due to the team eliminating more than 200 positions.

Through March 31, 2018, the excess margin stood at 3.57% and the overall EBITDA margin rebounded to 9.96%. We expect income statement metrics to improve given the overall volume growth and focus on costs.

Liquidity and financial flexibility remain sound

We consider EEH's unrestricted reserves and overall liquidity to be solid. For the interim period March 31, 2018, overall days' cash on hand stood at a healthy 243 days. Unrestricted reserves to contingent liabilities stood at a healthy 200% and we expect the hospital to maintain a solid cushion. We believe EEH will maintain a minimum of 150 days' cash on hand to cover unforeseen events.

Debt and contingent liabilities

EEH continues to have contingent liability risk exposures from financial instruments with payment provisions that may change on certain events, but we consider the risk manageable at the rating. EEH's unrestricted reserves provide acceptable coverage in the event of acceleration, at 200%. Management has no new money debt plans over the outlook period but might refinance some existing private placement debt over the next year.

As of fiscal 2017, EEH had a total amount of \$446 million of contingent liability debt:

- Various variable rate demand bonds with acceleration provisions; and
- Direct placement debt with acceleration provisions.

The overall master trust indenture has covenants including a historical debt service requirement of 1.1x, and a minimum requirement of 75 days' cash on hand.

Table 1

Edward-Elmhurst Healthcare System--Enterprise Statistics				
	--Nine months ended March 31--	--Fiscal year ended June 30--		
	2018	2017	2016	2015
PSA population	N.A.	975,312	974,986	970,742
PSA market share (%)	N.A.	36.5	35.8	32.6
Inpatient admissions	N.A.	40,103	38,159	37,791
Equivalent inpatient admissions	N.A.	95,074	90,773	94,644
Emergency visits	N.A.	169,269	164,842	136,512
Inpatient surgeries	N.A.	11,126	10,042	9,766
Outpatient surgeries	N.A.	17,890	17,953	16,977

Table 1

Edward-Elmhurst Healthcare System--Enterprise Statistics (cont.)				
	--Nine months ended March 31--	--Fiscal year ended June 30--		
	2018	2017	2016	2015
Medicare case mix index	N.A.	1.8000	1.6700	1.6600
FTE employees	N.A.	4,824	4,638	6,254
Active physicians	N.A.	1,000	982	905
Top 10 physicians admissions (%)				
Based on net/gross revenues	N/A	Gross	Gross	Gross
Medicare (%)	N.A.	41.0	39.5	40.1
Medicaid (%)	N.A.	9.2	8.5	8.5
Commercial/Blues (%)	N.A.	46.9	48.8	47.4

Note: Inpatient admissions exclude normal newborn, psychiatric, rehabilitation, and long-term care facility admissions. N.A.--Not available.
N/A--Not applicable.

Table 2

Edward-Elmhurst Healthcare System--Financial Statistics					
	--Nine months ended March 31--	--Fiscal year ended June 30--			--Medians for 'A' rated stand-alone hospitals--
	2018	2017	2016	2015	2016
Financial performance					
Net patient revenue (\$000s)	951,814	1,229,286	1,162,897	1,131,465	378,530
Total operating revenue (\$000s)	1,051,487	1,350,591	1,222,282	1,197,667	MNR
Total operating expenses (\$000s)	1,058,959	1,372,373	1,232,693	1,193,741	MNR
Operating income (\$000s)	(7,472)	(21,782)	(10,411)	3,926	MNR
Operating margin (%)	(0.71)	(1.61)	(0.85)	0.33	2.80
Net nonoperating income (\$000s)	46,656	16,498	30,540	53,503	MNR
Excess income (\$000s)	39,184	(5,284)	20,129	57,429	MNR
Excess margin (%)	3.57	(0.39)	1.61	4.59	4.80
Operating EBIDA margin (%)	5.96	4.94	6.30	8.59	9.40
EBIDA margin (%)	9.96	6.09	8.58	12.50	11.20
Net available for debt service (\$000s)	109,352	83,204	107,504	156,343	50,424
Maximum annual debt service (\$000s)	44,756	44,756	44,756	44,756	MNR
Maximum annual debt service coverage (x)	3.26	1.86	2.40	3.49	4.70
Operating lease-adjusted coverage (x)	3.26	1.61	2.02	2.80	3.30
Liquidity and financial flexibility					
Unrestricted reserves (\$000s)	892,324	821,048	733,176	759,666	252,399
Unrestricted days' cash on hand	243.4	229.8	229.7	248.9	239.60
Unrestricted reserves/total long-term debt (%)	131.8	118.5	104.8	106.0	213.20
Unrestricted reserves/contingent liabilities (%)	200.1	184.1	168.9	191.3	449.00
Average age of plant (years)	12.4	12.5	11.7	9.8	10.70
Capital expenditures/depreciation and amortization (%)	88.2	112.6	116.3	88.5	122.50

Table 2

Edward-Elmhurst Healthcare System—Financial Statistics (cont.)					
	—Nine months ended March 31—	—Fiscal year ended June 30—			—Medians for 'A' rated stand-alone hospitals—
	2018	2017	2016	2015	2016
Debt and liabilities					
Total long-term debt (\$000s)	677,144	692,957	699,675	716,690	MNR
Long-term debt/capitalization (%)	39.3	41.3	43.9	41.6	27.00
Contingent liabilities (\$000s)	446,010	446,010	434,045	397,145	MNR
Contingent liabilities/total long-term debt (%)	65.9	64.4	62.0	55.4	34.40
Debt burden (%)	3.06	3.27	3.57	3.58	2.50
Defined-benefit plan funded status (%)	N.A.	81.74	74.79	80.32	74.90
Pro forma ratios					
Unrestricted reserves (\$000s)	N/A	N/A	N/A	N/A	MNR
Total long-term debt (\$000s)	N/A	N/A	N/A	N/A	MNR
Unrestricted days' cash on hand	N/A	N/A	N/A	N/A	MNR
Unrestricted reserves/total long-term debt (%)	N/A	N/A	N/A	N/A	MNR
Long-term debt/capitalization (%)	N/A	N/A	N/A	N/A	MNR

MNR—Median not reported. N.A.—Not available. N/A—Not applicable.

Credit Snapshot

- Security pledge: The obligated group's gross revenue pledge secures the bonds.
- Group rating methodology: Core. The 'A' rating reflects our view of EEH's (GCP) and the obligated group's "core" status. Accordingly, we rate the bonds at the same level as the GCP.
- Organization description: EEH, the parent, operates two acute care hospitals: Edward Hospital in Naperville and Elmhurst Memorial Hospital in Elmhurst. Naperville and Elmhurst are western suburbs of Chicago. EEH operates several affiliates, including Edward Health Ventures (EHV), the Edward Foundation, and captive insurance company EEH SPC. EHV includes physician practices, Edward-Elmhurst Health & Fitness, and has a 99% interest in Naperville Psychiatric Ventures LLC (NPV), which operates Linden Oaks Hospital, a behavioral health hospital also on the Edward Hospital campus. EEH also operates Elmhurst Memorial Hospital Foundation. The obligated group consists of EEH, Edward Hospital, EHV, Elmhurst Hospital, Elmhurst Memorial Healthcare, and NPV. The timing of the two obligated groups' combination is uncertain.
- Swaps: As of fiscal 2017, EEH had \$506.3 million on notional interest rate swaps outstanding with no collateral posted at this time. The swaps are executed with various bank counterparties and include a termination event should ratings on it fall below investment-grade.

Ratings Detail (As Of May 1, 2018)

Illinois Finance Authority, Illinois
Edward-Elmhurst Healthcare, Illinois

Ratings Detail (As Of May 1, 2018) (cont.)

Illinois Finance Authority rev bnds (Edward Hosp & Hlth Services Corp)

<i>Long Term Rating</i>	A/Stable	Affirmed
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Illinois Finance Authority (Edward-Elmhurst Healthcare)

<i>Long Term Rating</i>	A/Stable	Affirmed
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Illinois Finance Authority (Edward-Elmhurst Healthcare)

<i>Long Term Rating</i>	A/Stable	Affirmed
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2009 A

<i>Unenhanced Rating</i>	A(SPUR)/Stable	Affirmed
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<i>Long Term Rating</i>	AA+/A-1	Affirmed
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MAY 1, 2018 9

ATTACHMENT – 36

SECTION IX. 1120.140 – ECONOMIC FEASIBILITY

B. Conditions of Debt Financing

This project is being paid through cash and securities and, therefore, this criterion is not applicable

C. Reasonableness of Project and Related Costs

COST AND GROSS SQUARE FEET BY DEPARTMENT OR SERVICE									
Clinical Dept./Area	Cost/Square Foot		Gross Sq. Ft		Gross Sq. Ft		New \$	Mod \$	Total Cost** (G + H)
	A New	B Mod	C New	D Circ*	E Mod	F Circ*	G (A x C)	H (B x E)	
REVIEWABLE	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Reviewable									
NON REVIEWABLE									
Shelled Space	\$ 328		12,468		N/A		\$4,089,504		\$4,089,504
Physician Office Space	\$ 419		12,543		N/A		\$5,255,517		\$5,255,517
Mechanical	\$ 486		7,725		N/A		\$3,754,350		\$3,754,350
Support Spaces	\$ 412	\$ 316	576		581		\$237,312	\$183,596	\$420,908
Public Areas (elevator, stairs, corridors, connecting bridge)	\$ 455	\$ 385	13,289		826		\$6,046,495	\$318,010	\$6,364,505
Total Non-Reviewable			46,601		1,407		\$19,383,178	\$501,606	\$19,884,784
Total Excl Contingency									
Contingency							\$969,159	\$50,161	
GRAND TOTAL							\$20,352,337	\$551,767	\$20,904,104
* Percentage of space for circulation									
** Construction Costs Only									

ATTACHMENT - 37

D. Projected Operating Costs

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services. This project does not involve hospital services, thus this criterion is not applicable.

E. Total Effect of the Project on Capital Costs

This criterion is applicable to projects or portions thereof that involve hospital-related clinical departments or services. This project does not involve hospital services, thus this criterion is not applicable.

Healthy Driven™

Edward-Elmhurst HEALTH

September 7, 2018

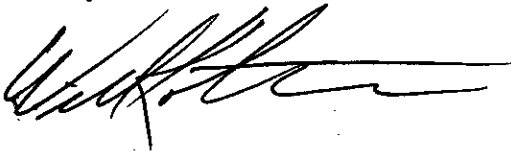
Illinois Health Facilities and Services Review Board
525 W. Jefferson Street, 2nd Floor
Springfield, IL 62761

Re: Edward Hospital's CON Application for East Building Expansion

To Whom It May Concern:

I hereby attest that the total estimated project costs and related costs will be funded in total with cash and other liquid assets.

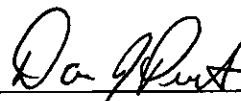
Sincerely,



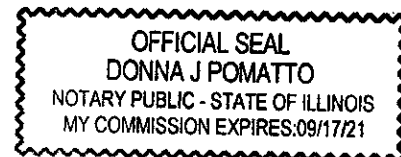
William Kottmann
President and CEO, Edward Hospital

This instrument was acknowledged before me on September 7 20 18, by

William Kottmann
(Name of Person)



Notary Public
(seal)



Edward Hospital
801 S. Washington Street
Naperville, IL 60540

ATTACHMENT- 37

SECTION XI. CHARITY CARE INFORMATION

The chart below provides, for the last three audited fiscal years, the amount and cost of charity care and the ratio of charity care to net patient revenue at Edward Hospital and Elmhurst Hospital. The system's mission is to support community health needs by providing outstanding healthcare services. As the need for charity care support increases in the community so will the amount of charity care provided at each hospital as shown by the data below.

Edward Hospital			
	FY 2015	FY 2016	FY 2017
Net Patient Revenue	\$567,759,659	\$574,141,138	\$618,451,379
Amount of Charity Care (charges)	\$44,391,235	\$49,956,169	\$52,133,314
Cost of Charity Care	\$8,728,888	\$9,566,782	\$9,106,698
Ratio of Charity Care Cost to Net Patient Revenue	1.5%	1.7%	1.5%

Elmhurst Hospital			
	FY 2015	FY 2016	FY 2017
Net Patient Revenue	\$379,832,416	\$385,431,170	\$418,514,774
Amount of Charity Care (charges)	\$32,842,986	\$38,437,352	\$39,461,369
Cost of Charity Care	\$6,873,152	\$7,245,149	\$6,840,095
Ratio of Charity Care Cost to Net Patient Revenue	1.8%	1.9%	1.6%